The Incorporated Accountants' Journal

The Official Organ of
The Society of Incorporated Accountants and Auditors

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Letters for the Editors to be forwarded to them, care of the Secretary, as above. Correspondence, copies of reports and accounts, &c., will be welcomed from the profession.

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Professional Notes.

THE Council of the Society of Incorporated Accountants and Auditors have unanimously re-elected Mr. E. Cassleton Elliott (Messrs. E. Cassleton Elliott & Co.) as President of the Society, and Mr. R. Wilson Bartlett (Messrs. Walter Hunter, Bartlett, Thomas & Co.), of Newport, Mon., and Cardiff, as Vice-President, for the ensuing year.

The programme of the Fourth International Congress on Accounting is contained in this issue. The proceedings will open on Monday, July 17th, and will be continued in London during the whole of the week. On Monday, July 24th, and the two following days, delegates and accountants from abroad are invited to visit Scotland or Ireland, where they will be entertained by the Scottish and Irish Societies who are sponsors of the Congress. A Congress office will be opened at Grosvenor House, London, W.1 (Mount Street entrance), on Monday, July 10th, for the convenience of delegates and accountants from abroad.

In his address at the Annual Meeting of the Institute of Chartered Accountants last month, the President, Mr. Clare Smith, said that accountants were endeavouring to make the accounts of limited companies somewhat more informative, and that signs were not wanting that company directors were more ready to confer with their auditors and listen to their views than they were some years ago. He also announced that the London Members' Committee and the Provincial Societies had arranged to set up Advisory Committees or Panels to assist members who desired advice in dealing with professional procedure and custom, and he expressed the hope that the arrangement would prove of benefit to young practitioners who were faced with difficulties.

The publication of the Finance Bill discloses nothing of special interest to accountants beyond what was explained by the Chancellor of the Exchequer in his Budget speech. Subsequent to the introduction of the Bill the Government's proposals with regard to the taxation of Co-operative Societies were submitted. In substance they followed the recommendations of the Raeburn Committee, but the indications are that they will be strongly contested in the Committee stage.

The Municipal Corporations (Audit) Bill as passed by the House of Commons will be found in our columns, together with an abridged report

of the Debate in the House, on Friday, May 19th. The Official report in "Hansard" occupies not less than 59 columns, and we hope that the House will not be judged from the standpoint of the speeches delivered on this Bill, which betrayed a lack of knowledge of auditing, accountancy and accountants which is somewhat amazing.

The Bill was eventually read a third time after three divisions had been taken on amendments, and rumour has it that interest in the subject was stimulated by reasons not altogether germane to the matter under discusison. However that may be, Mr. Petherick, M.P., who had charge of the Bill, is to be congratulated on passing through the House a measure which, whatever its defects, will, if adopted by the House of Lords, save a large expenditure of time and money both on the part of Municipal Corporations and those interested in auditors' qualifications.

The value attaching to gold bonds of foreign countries and the coupons relating thereto, has received a rude shock as the result of the decision of the Court of Appeal confirming that of Mr. Justice Farwell in the case of *Feist* v. *Société Intercommunale Belge D'Electricité*. The terms of the bond included a provision that there was to be paid to the bearer thereof "the sum of £100 in sterling in gold coin of the United Kingdom of or equal to the standard of weight and fineness existing on September 1st, 1928," but when the payment became due it was contended by the company that its obligation was discharged by tendering in payment whatever happened to be legal tender at the time, thereby claiming the advantage of the difference between the gold value and the sterling exchange in this country. This view was upheld by Mr. Justice Farwell, and afterwards confirmed by the Court of Appeal.

In giving judgment in the Court of Appeal, the Master of the Rolls said that gold coins were not now available as representing sterling but only notes of the Bank of England. There was, in fact, at the present time no issue of gold coinage in this country. Bank notes were legal tender. Lord Justice Lawrence, concurring in this view, said that the parties might not have foreseen the present result, but that the result was brought about by the legislature. The obligation of the company was to pay £100 sterling in gold coins but the legislature had said that it might lawfully be discharged by tendering bank notes and the company was therefore entitled to discharge its indebtedness in that way.

This may be, and no doubt is, the legal position, but it does not seem to give effect to the intention of the parties as expressed in the terms of the bond and as has always been understood in commercial circles in relation to bonds of this character. There is little doubt that the same attitude will now be adopted with regard to gold bonds issued by other countries, and it is suggested that almost the only way of giving effect to the real intentions for payment in gold would be that the loan represented by the bonds should be repayable in so many ounces of that metal.

An important judgment has been given by the Court of Session, Edinburgh, in the case of the *Commissioners of Inland Revenue* v. *Falkirk Iron Company, Limited*. The point in dispute was whether the rent of part of a warehouse which was held under a lease and for the time being was not required for the purpose of the company's business, was an admissible charge in the company's accounts for Income Tax purposes. The contention of the Inland Revenue was that the rent in question was was not expenditure wholly and exclusively laid out for the purposes of the trade and was not a loss arising out of the trade. The company on the other hand maintained that when the lease was taken the obligations under it were incurred exclusively for trade purposes and although such outlay transpired to be unprofitable it was, nevertheless, an admissible charge. It appeared that the company had ceased to use the warehouse for their own purposes and had sublet part of it for the term of the lease, and they claimed to charge the difference between the rents receivable and the rents payable as a business expense.

In delivering judgment in favour of the company, the Lord President said that an outlay may be made wholly and exclusively for the purpose of a trade and may yet turn out to have been made unprofitably, but it would be a mistake to suppose that in the sense of Rule 3 of Cases I and II of Schedule D any deductible expenditure must not only be incurred wholly and exclusively for the purpose of the trade but must also be profitably laid out. When the directors took the lease they took it in the reasonable expectation that the warehouse would help in making profits, but after a number of years they discovered that contrary to their expectations they no longer had need of it, and it remained empty on their hands. In these circumstances his Lordship said he had no doubt that the rent which they continued bound to pay until the termination of the tenancy was just as much a part of the

expenses of the company's trade as the rent of other warehouses which continued to be profitably used. He added that it was a mistaken notion that unless it could be shown that an expense was profitable it was not a legitimate deduction.

Lord Sands concurring in this judgment said that if a company entered into contracts for the purposes of its business genuinely and honestly, he considered that expenditure in the fulfilment of such contracts was expenditure for the purposes of the business.

The Solicitors Bill, which provides for the keeping of separate accounts for clients' moneys has now passed all its stages in the House of Commons. The Bill as originally introduced was published in our January issue, but several additions and amendments have been made in the course of its passage through the House of Commons. A clause has been added exempting from the operation of the Bill any solicitor who holds the office of Clerk of the Peace of a county, or Clerk of a County Council, &c., so far as it concerns him in his official capacity, but if he engages in private practice the Bill is to apply to him so far as that practice is concerned. The Bill originally provided that fines imposed for failure to comply with the rules made under the Bill were to go to the credit of the general funds of the Law Society. This has now been altered so that any penalty so imposed shall go to the Crown.

It was suggested that the Law Society should establish a fidelity fund by way of a guarantee to the public, but it was pointed out on behalf of the Law Society that there were grave difficulties in establishing such a fund because, although in the past the number of defalcations on the part of solicitors was very small, unfortunately the sums involved in some of the individual cases had been very large, and if any guarantee fund had been set up it would have been extinguished.

Companies which adopt clause 76 of Table A as one of their Articles of Association will have to bear in mind its effect in the event of a dispute arising as to the appointment of directors. The clause in question reads as follows :—

> The company at the general meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto and in default the retiring director shall be deemed to have been re-elected unless at such meeting it is resolved not to fill up such vacated office.

In the case of *Holt* v. *Catterall*, where an Article in somewhat similar terms applied, the motion for the re-election of one of the directors of the company was rejected, but no one else was elected in his place at the time. It was held by Mr. Justice Maugham that as there was no resolution reducing the number of the directors the retiring director, notwithstanding the resolution against his re-appointment, still remained a member of the board. Hitherto it has been considered by some authorities that an Article in the form of the above operated only when the re-election of a director retiring by rotation had been entirely overlooked, but this apparently is not the correct interpretation.

What constitutes a contract in restraint of trade? A decision of some importance in regard to this subject was given the other day by the Court of Appeal in the case of *Gilford Motor Company* v. *E. B. Horne and J. M. Horne and Co., Limited.* The Gilford Motor Company, who were suppliers of commercial motor vehicles, entered into a contract with Mr. E. B. Horne in 1929 appointing him managing director for six years at a remuneration of £1,250 per annum, and one of the clauses in the agreement provided that he "shall not at any time while he shall hold the office of a managing director or afterwards solicit, interfere with, or endeavour to entice away from the company any person, firm, or company who at any time during or at the date of determination of the employment of the managing director were customers of or in the habit of dealing with the company." By arrangement, in 1931, Mr. Horne ceased to be managing director and received a compensation of £1,500. He then started a business of supplying spare parts and service for Gilford vehicles, and shortly afterwards formed a company with the object of carrying on the business without a breach of the clause above referred to. Circulars were sent out to persons who had been customers of the Gilford Company while he was managing director.

In March last the case came before Mr. Justice Farwell, who decided that the restraint clause in the agreement was not enforcible by reason of its ambiguity in the description "customers or persons in the habit of dealing with the company," and was too wide because it left the covenantor in doubt as to what persons he might or might not solicit. This decision has now been reversed,

the Court of Appeal holding that the test of the validity of an agreement in restraint of trade is whether it is reasonably necessary for the protection of the person with whom it is made, and their Lordships held that the clause in question in this case was reasonably necessary for that purpose. They also held that the words "customers of or persons in the habit of dealing with the company" were not too wide or uncertain and covered customers only who were such while Mr. Horne was managing director. An injunction was accordingly granted against Mr. Horne and the company which he formed.

On the subject of the Business of the Courts, the Solicitors' Managing Clerks' Association, whose intimate knowledge of the matter must command respect, has prepared a memorandum for the consideration of Lord Hanworth's Committee. The memorandum deals mainly with matters of detail, but views are also expressed on points of more general interest. The Association is concerned in maintaining the honour and respect with which the English system of legal procedure, as it exists to-day, is regarded throughout the world, and would regret to see that standard lowered by attempts to hasten unduly the preparation of a case for trial and thus deprive one or other of the litigants of a fair hearing. The Association holds the view that much of the expense and delay is due to the neglect to use and enforce the existing rules rather than to any inherent defect in the system, and considers that the greatest delay takes place after the action has been set down for trial by reason of the insufficiency of the Judges available. It is added, however, that this does not apply at the moment to actions set down in the Chancery Division.

The Association expresses itself as being in accord with the majority of the recommendations contained in the interim report of Lord Hanworth's Committee, but puts forward a number of recommendations with regard to matters of procedure. These recommendations, coming from those who are engaged from day to day in dealing with the formalities of legal procedure, must carry weight, and will no doubt receive the consideration they deserve.

The Treasury announces that a new issue of Savings Certificates is being placed on sale as from to-day and that the current series is being withdrawn. The price of the new issue will be 16s. per certificate and the value will increase to 23s. at the end of twelve years. The price of the issue which is now being withdrawn was also 16s., but the value increased to 23s. in eleven years. It will thus be seen that the difference between the two issues is that the 7s. accretion to the value will require twelve years instead of eleven years to mature.

The Postmaster-General stated at the annual meeting of the City of London Savings Committee that, for the convenience of holiday-makers, the Post Office Savings Bank had decided as from the 18th of last month, to issue travellers' warrants of the fixed sum of £6 and up to six in number, which could be cashed at will at any Savings Bank Post Office in the country without surrendering the deposit Pass Book; also that arrangements had been concluded with the British shipping lines to enable Post Office depositors who are taking a cruise to obtain the money on board ship.

The report of the Chief Registrar of Friendly Societies for the year 1932 has just been issued. It deals with the accounts of Building Societies for the twelve months to January 31st, 1932, and shows that the advances on mortgage during the year amounted to about £90,000,000 as compared with £88,000,000 in the preceding year. Of the total advances those of £1,000 or under represented about 94 per cent. in number and 80 per cent. in amount. The average rate of interest charged to borrowers (calculated on the mean mortgage balances outstanding) was 5.87 per cent. compared with 5.82 per cent. in the preceding year. The Registrar remarks that in view of subsequent reductions in the rates of interest charged to borrowers, in the first instance on new advances and later on all mortgages, the average rate above referred to probably marks the high level of interest rates in building societies.

On the subject of audit the Registrar records that the following rather unusual enquiry was received :—

> "In the case of a building society employing a firm of professional accountants to audit the books, and electing in addition two members to assist, is it essential that either of the 'members auditors' should understand accounts? The Act of 1894 seems to suggest that if one professional accountant officiates at the audit the qualifications of the 'members auditors' are of no importance."

The reply given was that "persons who do not understand accounts are obviously not fit to act as auditors."

THE SOCIETY'S 48th ANNUAL MEETING.

THE Forty-Eighth Annual Report of the Council together with the accounts of the Society of Incorporated Accountants and Auditors will be found in this issue. The number of members on the roll at December 31st, 1932, was 5,910, and consisted of 1,449 Fellows, 4,458 Associates and three Honorary Members. Whereas there was a net addition of 245 to the roll of Associates, the number of Fellows showed an actual increase of one only, since the last Annual Report. It must be recognised that death or retirement from the Profession more largely affects the roll of Fellows than that of Associates. At the same time the position of the Fellowship Roll cannot be regarded as satisfactory. The statistics in regard to the Society's examinations showed that 1,996 candidates presented themselves for the Preliminary, Intermediate and Final examinations. The passes in the Final examination were 49 per cent., in the Intermediate 51 per cent., and in the Preliminary 54 per cent.

The accounts of the Society exhibited a further expansion of income to £29,377 and after transferring a sum of £1,422 to the fund for redemption of debentures on Incorporated Accountants' Hall, there was a surplus of income over expenditure of £3,183. It was stated in the President's Speech that the Council had decided to redeem at the end of the current year 10 per cent. of the total issue of debentures created in connection with the purchase of Incorporated Accountants' Hall. This in itself is a satisfactory testimony of the care and foresight which have been devoted to the Society's finances, as Incorporated Accountants' Hall was only opened by H.R.H. The Duke of York in February, 1929.

Incorporated Accountants have become accustomed to a high standard in the address of the President of the Society at the Annual Meeting, and the speech of Mr. E. Cassleton Elliott on May 18th was no exception to the rule. It met with unanimous approbation from the members present at the meeting, as is shown by the discussion which took place. It is fortunate that under the Society's regulations the business at Annual Meetings is not strictly confined to a consideration of the report of the Council and a review of the accounts, but the discussion of questions incidental to the profession is encouraged. It follows, therefore, that members of the Society are not only desired to be present at the meeting but contributions by them are welcomed to the proceedings which have for their object the common good.

Mr. Cassleton Elliott devoted himself mainly to a consideration of the high level of direct taxation in Great Britain and advocated a greater elasticity in making allowances for depreciation. As he truly pointed out, the State, in practice, through Income Tax and Sur-Tax, became a partner in every undertaking and shared in the profits and, to a much lesser extent, in the losses, but in regard to new enterprise the risk of loss was borne entirely by those who found the original capital. The implied partnership, he maintained, must be based on a large degree of mutual trust and confidence, and imposed a duty on the taxpayer to make proper disclosure of all sources of income, and this frequently entailed the professional assistance of a member of the accountancy profession. On the other hand there was equally demanded, confidence on the part of the State, that properly certified information could be relied upon. The services of Incorporated Accountants together with those of other members of the profession, constituted a definite part of the Income Tax system. Without these services, Income Tax would be more burdensome, and perhaps impracticable. Mr. Elliott then suggested that where accounts properly certified by Incorporated Accountants were submitted, the reduction of requests for further details, particularly of expenditure charged, would be helpful.

On the question of Scientific Research, Mr. Elliott said that since the report of the Royal Commission on Income Tax in 1920, the rapidity of scientific invention and the development of industrial research had given to depreciation and obsolescence a much greater significance in arriving at an annual income. Mr. Elliott referred to the recent statement of the Chairman of Imperial Chemical Industries, Limited, that plant and machinery used in experimental work and then scrapped, were not the subjects of claims for obsolescence, because the plant and machinery were not replaced. But the expansion of industry and the consequent expansion of employment were dependent largely upon research and upon experiments with manufacturing processes on a commercial scale.

Mr. Elliott then called attention to a particularly unsatisfactory type of advertising, by those who described themselves as Tax Specialists, and as ex-Inspectors of Taxes. The writers claimed that they had special knowledge of substantial forms of Income Tax relief, which were very rarely pursued. The recipients of these advertisements were asked to furnish particulars

and to transfer their Income Tax affairs, the remuneration to be by results on a commission basis. In 1923 Mr. Baldwin, who was then Chancellor of the Exchequer, expressed his strong objection to this practice, but the effects of Mr. Baldwin's letter of remonstrance had diminished of recent years.

On the subject of high taxation, Mr. Cassleton Elliott drew attention to the cumulative and serious effect over a long period, of the burden of direct taxation and excessive national expenditure upon industry and commerce. That was not merely a general observation, for the situation had impressed itself upon the minds of practising accountants as a result of their professional experience in a large number of individual cases. The Chancellor of the Exchequer claimed that the National Government had effected economies or had absorbed automatically expanding expenditure to the tune of £113,000,000, but in the current year, even with the suspension of the Sinking Fund, direct taxation remained at an almost intolerable level. Successive Governments had shown considerable ingenuity in raising the revenue which their policy required, but he often wondered whether that energy and knowledge might not have been more profitably employed in attempting to reduce their expenditure. The state of national finances during the last few years had put a check to public confidence in the efficacy of public expenditure. In regard to any contemplated measure of social reform, he hoped that the Government would remember that the cost of social services tended to increase year by year. Commitments thus incurred could not be repudiated.

The Vice-President, Mr. R. Wilson Bartlett, seconded the motion for the adoption of the report and accounts, which, after an interesting discussion, was carried unanimously. The retiring members of the Council, together with Mr. Norman Bubb, elected in succession to Mr. A. E. Woodington (whose resignation owing to ill-health has been referred to in these columns), were re-appointed, and the proceedings closed with a cordial vote of thanks to the President for his Address and for his services to the Society.

Society of Incorporated Accountants and Auditors.

South African (Northern) Branch.

At a meeting of the Branch Committee held at Johannesburg on April 8th, Mr. R. B. Hogg was elected Chairman for the year 1933-34, and Mr. L. A. Whiteley was re-elected Vice-Chairman.

AVOIDANCE OF A FLOATING CHARGE.

DECISIONS of the Courts with regard to floating charges have given rise to some uncertainty in certain circumstances. Sect. 266 of the Companies Act, 1929, is intended to provide for cases in which the directors of insolvent companies attempt to gain an advantage over other creditors by issuing debentures to themselves on the eve of winding-up proceedings. The section provides that a floating charge created within six months of the commencement of a winding-up shall, unless the company was solvent immediately after the creation of the charge, be invalid except to the amount of any cash paid to the company at the time of, or subsequently to, the creation of, and in consideration for, the charge.

In the natural course of events it is inevitable that attempts are made to circumvent the section and from time to time the Courts are called upon to define the limits of its application. A case in point was *re Matthew Ellis Limited* (1932). The company in liquidation dealt in locks and keys and purchased most of their stock from T. & Co., the chairman of which concern was one of their directors. The company was indebted to T. & Co. in a sum of £1,954 for goods supplied. In consideration of a loan of £3,000 from the director-chairman a debenture secured by a floating charge was issued. The sum lent was used in part to repay the debt owing to T. & Co., and on this account the liquidator asked for a declaration either that the payment to T. & Co. was a fraudulent preference, or that, to the extent of that payment, the floating charge was void under sect. 266. In *re Orleans Motor Company Limited* (1911) it had been held that a similar section of the Companies (Consolidation) Act, 1908, was intended to prevent a moribund company from creating floating charges to secure past debts, but in *re Hayman, Christy & Lilly Limited* (1917) the Court refused to apply the section in circumstances similar to those in the case of *Matthew Ellis Limited*. Mr. Justice Eve, however, took the view that since the money advanced had been used to pay a past debt the earlier decision should apply, but his decision has now been reversed by the Court of Appeal on the ground that the company, by paying its debt, had obtained the advantage of continued credit which had enabled it to carry on business.

It appears, as a result of this decision, that in deciding the cases the Courts will consider all the circumstances. Where the cash sum secured by the floating charge is advanced unconditionally

the charge will not be invalid, and this is so notwithstanding that it is used to pay past debts. Where, on the other hand, cash is advanced on condition that a part is used for a specific purpose, such as to pay past debts, the effect of the transaction will be carefully examined. An advantage obtained by the company may save the charge from avoidance, as in the *Matthew Ellis* case, but where no advantage is obtained, except by the holders of the debentures, the charge will be avoided.

Society of Incorporated Accountants and Auditors.

MEMBERSHIP.

The following additions to and promotions in the Membership of the Society have been completed since our last issue :—

ASSOCIATES TO FELLOWS.

BALL, GORDON (Chipchase, Wood & Co.), Springstone House, Ossett, Practising Accountant.

CRUMPTON, ALBERT HENRY (Morgan, Crumpton, Cappleman & Co.), Paragon House, Paragon Street, Hull, Practising Accountant.

DARR, ARCHIBALD STANLEY (Darr, Rickard & Co.), Royal London House, 17, Finsbury Square, London, E.C.2, Practising Accountant.

HEATLEY, NORMAN KENYON (Robert Heatley & Co.), 33, Brazennose Street, Manchester, Practising Accountant.

JONES, ARTHUR HUMPHREYS (Ker, Jones & Co.), 7, Castle Street, Bridgwater, Practising Accountant.

NELSON, WILLIAM BERTRAM (W. E. Nelson & Co.), 22, Lord Street, Liverpool, Practising Accountant.

NEWBY, DUNCAN ARCHIBALD (Hewat, Bridson & Hargreaves), 6, Rue de l'Ancienne Bourse, Alexandria, Egypt, Practising Accountant.

PANNETT, ARTHUR, Paxton House, 28, John Dalton Street, Manchester, Practising Accountant.

RICKARD, REGINALD YORK (Darr, Rickard & Co.), Royal London House, 17, Finsbury Square, London, E.C.2, Practising Accountant.

STRICKLAND, FRANCIS (Grundy, Middleton & Co.), 1, Brazennose Street, Manchester, Practising Accountant.

ASSOCIATES.

BENNETT, JAMES, Clerk to Clinch & Legge, Hurdis House, Broad Street, Seaford.

EASTON, DANIEL AUGUSTUS, Clerk to W. T. Walton and Son, Marlow House, Lloyds Avenue, London, E.C.3.

HUGHES, WILLIAM ELLIS (H. T. Brown, Topham and Partners), 13, Harrington Street, Liverpool, Practising Accountant.

HUMPHREY, RONALD PERROTT, Clerk to George Gradon and Co., 43, Gower Street, London, W.C.1.

KEATE, HANDEL, Clerk to Ernest Weston & Co., Queen's Buildings, Queen Street, Sheffield.

MORRELL, ALBERT, Clerk to Charles L. Townend & Co., Permanent Chambers, Halifax.

POVEY, HENRY WILLIAM, Treasurer and Accountant, Glynconwg Urban District Council, Council Offices, Cymmer, Port Talbot.

TOMLINSON, WILLIAM ARTHUR, Clerk to Ransom, Harrison and Lewis, National Provincial Bank Chambers, 11, York Street, Sheffield 1.

VACHHA, HOMY JAMSHEDJI, B.A., Clerk to Wilson, Bigg and Co., Pomeroy House, 28A, Basinghall Street, London, E.C.2.

WATSON, LEONARD ARTHUR, Clerk to Clarkson & Rumble, 16-17, Devonshire Square, London, E.C.2.

YAXLEY, WILLIAM REGINALD, Clerk to Dyke & Ruscoe, The Old Mansion, St. Mary's Street, Shrewsbury.

FOURTH INTERNATIONAL CONGRESS ON ACCOUNTING.

London, July 17th to 21st, 1933.

PROGRAMME.

SPONSORS OF THE CONGRESS.

The Society of Accountants in Edinburgh.
The Institute of Accountants and Actuaries in Glasgow.
The Society of Accountants in Aberdeen.
The Institute of Chartered Accountants in England and Wales.
The Society of Incorporated Accountants and Auditors.
The Institute of Chartered Accountants in Ireland.
The Corporation of Accountants.
The London Association of Certified Accountants.

PRESIDENT.

The Rt. Hon. Lord Plender, G.B.E., LL.D., F.C.A.

VICE-PRESIDENT.

Sir James Martin, M.B.E., F.S.A.A.

SECRETARY.

The Hon. George Colville, M.B.E.
Moorgate Place, London, E.C.2.

ASSISTANT SECRETARIES.

R. W. Bankes, C.B.E.
A. A. Garrett, F.C.I.S.

HEADQUARTERS.

Grosvenor House, Park Lane, London, W.1.

MONDAY, JULY 10th.

A Congress Office will be opened at Grosvenor House (Mount Street entrance).

MONDAY, JULY 17th.

11 a.m. Service at Westminster Abbey. (By kind permission of the Dean.)
Sermon by the Archbishop of York. Parties will be conducted over the Abbey after the Service.

2.30 p.m. Presidential Address of Welcome at Grosvenor House.

9 p.m. Reception at Grosvenor House.

TUESDAY, JULY 18th.

10 a.m. Paper on "International Finance."
SIR JOSIAH STAMP, G.B.E., D.Sc., F.S.A.A.

11.30 a.m. Paper on "Exchange Fluctuations in relation to Accounting as regards Operating Results and Asset Values."
MR. A. E. CUTFORTH, C.B.E., F.C.A.

1 p.m. Luncheon Interval. The Delegates and Accountants from abroad will be entertained at Luncheon at Grosvenor House.

2.30 p.m. to 5 p.m. Paper on "Holding and Subsidiary Companies. Accounting principles involved in the treatment of earnings and valuation of holdings."
SIR ALBERT WYON, K.B.E., F.C.A.

8.30 p.m. Visit to a Theatre. (Delegates and Accountants from abroad only.)

WEDNESDAY, JULY 19th.

10 a.m. Paper on "The Control of Charges and Profits of Statutory Undertakings, in (1) Private or (2) Public Ownership and the accounts relating thereto, *e.g.*, (*a*) Railways ;

(*b*) Docks and Harbours ; (*c*) Water ; (*d*) Gas ; (*e*) Electricity ; (*f*) Tramways."

MR. WILLIAM CASH, F.C.A.

11.30 a.m. Paper on "Accounting as an Aid to Commerce."

PROFESSOR W. ANNAN, C.A. (Professor of Accounting and Business Methods, Edinburgh University).

Paper on "Mechanical Accounting."

MR. ROBERT ASHWORTH, F.C.A., F.S.A.A.

1 p.m. Luncheon Interval. The Delegates and Accountants from abroad will be entertained at Luncheon at Grosvenor House.

2.30 p.m. to 5 p.m. Paper on "Capitalist Combinations in Industry—in the light of present-day needs."

MR. C. HEWETSON NELSON, F.S.A.A.

7.15 p.m. Banquet at Guildhall, E.C.2. (By kind permission of the Lord Mayor and Corporation of London.)

Ladies accompanying Delegates and Accountants from abroad will be entertained during the reading of the paper in the afternoon.

THURSDAY, JULY 20th.

Visits will be made to Windsor Castle, Hampton Court Palace, the Port of London, Oxford and Cambridge.

LORD and LADY PLENDER have kindly consented to give a Garden Party for Delegates and Accountants from abroad in the afternoon at Ovenden House, Sundridge, Kent ; journey by motor-coach.

A Golf Competition is being arranged for gentlemen at Moor Park Golf Club ; if sufficient entries are received, a Competition for ladies will be played at Edgware Golf Club.

In the evening, Delegates and Accountants from abroad will be privately entertained at Dinner by members of the Executive Committee.

FRIDAY, JULY 21st.

10 a.m. Papers on "The Auditor's responsibility in relation to Balance Sheets and Profit and Loss Accounts from the British, Continental and American points of view."

MR. HENRY MORGAN, F.S.A.A.

DR. W. Voss, Wirtschaftspruefer, Berlin.

COLONEL R. H. MONTGOMERY, C.P.A., United States of America.

1 p.m. Luncheon Interval. The Delegates and Accountants from abroad will be entertained at Luncheon at Grosvenor House.

2.30 p.m. to 5 p.m. Paper on "Depreciation and Obsolescence ; methods of dealing with the same, including annual appraisals."

MR. H. G. HOWITT, D.S.O., M.C., F.C.A.

MR. A. S. FEDDE, C.P.A., United States of America.

10 p.m. Ball at Grosvenor House.

Ladies accompanying Delegates and Accountants from abroad will be entertained during the reading of the papers in the afternoon.

MONDAY, JULY 24th, AND TWO FOLLOWING DAYS.

Delegates and Accountants from abroad are invited to visit Scotland, where they will be entertained by the three Societies comprising the Chartered Accountants of Scotland, and by the Corporation of Accountants, Glasgow ; or Ireland, where they will be entertained by the Institute of Chartered Accountants in Ireland.

Society of Incorporated Accountants and Auditors.

COUNCIL MEETINGS.

A meeting of the Council of the Society was held at Incorporated Accountants' Hall on May 18th, when there were present : Mr. E. Cassleton Elliott (President) in the chair ; Mr. R. Wilson Bartlett, J.P. (Vice-President), Mr. H. J. Burgess (London), Mr. W. Norman Bubb (London), Mr. D. E. Campbell (Wolverhampton), Mr. Arthur Collins (London), Mr. W. Allison Davies, O.B.E. (Preston), Mr. Frederick Holliday (Leeds), Mr. Walter Holman (London), Mr. Thomas Keens, D.L. (Luton), Mr. E. T. Kerr (Birmingham), Mr. Edmund Lund, M.B.E. (Carlisle), Sir James Martin, J.P. (London), Mr. Henry Morgan (London), Mr. C. Hewetson Nelson, J.P. (Liverpool), Mr. James Paterson (Greenock), Mr. W. H. Payne (London), Mr. William Paynter (London), Mr. A. E. Piggott (Manchester), Mr. J. Stewart Seggie (Edinburgh), Mr. Alan Standing (Liverpool), Mr. Percy Toothill (Sheffield), Mr. A. H. Walkey (Dublin), Mr. Frederic Walmsley, J.P. (Manchester), Mr. R. T. Warwick (London), Mr. E. W. C. Whittaker, J.P. (Southampton), Mr. Richard A. Witty (London), Mr. Fred Woolley, J.P. (Southampton), Mr. J. R. W. Alexander, M.A., LL.B. (Standing Counsel), Mr. E. E. Edwards, B.A., LL.B. (Parliamentary Secretary), and Mr. A. A. Garrett, M.A., B.Sc. (Secretary).

Apologies for non-attendance were received from Mr. G. S. Pitt and Mr. R. M. Branson.

NEW MEMBER OF THE COUNCIL.

The President welcomed Mr. W. Norman Bubb, who took his seat as a Council member for the first time.

INCORPORATED ACCOUNTANTS' HALL.

Upon the recommendation of the Finance and General Purposes Committee, it was resolved that 10 per cent. of the total issue of debentures be redeemed on December 30th, 1933, in harmony with condition 9 of the Trust Deed. The Council authorised the issue of the appropriate notices to the Debenture holders concerned after the drawing had taken place.

INTERNATIONAL CONGRESS ON ACCOUNTING.

Mr. Henry Morgan, Vice-Chairman of the Executive Committee of the Congress, made a report on the progress of the arrangements.

SOLICITORS (SCOTLAND) BILL.

A report was received of proceedings in Committee on this Bill, and of amendments agreed with the promoters to safeguard the interests of members in public practice in Scotland.

NATIONAL COUNCIL OF SOCIAL SERVICE.

A letter dated May 12th from the National Council of Social Service was considered, requesting the voluntary service of Incorporated Accountants throughout the country in connection with the accounts of occupational centres. It was resolved that the matter be brought before the Conference of Representatives of District Societies with a view to a practical response being given to the request.

The Secretary reported the deaths of the following members : Mr. James Edward Costello (Fellow), London ; Mr. Thomas Ambrose Gibson (Associate), London ; Mr. Fred Gill (Associate), Bradford ; Mr. Edward Harrison

(Associate), Newcastle-upon-Tyne; Mr. Henry James Hawkins (Associate), London; Mr. Fred Longshaw (Associate), Manchester; Mr. Edgar Howard Pope (Associate), London; Mr. William Turnbull Port (Associate), Glasgow; Mr. Humphrey Garner Pugh (Fellow), Oswestry; Mr. Ronald William Russell (Associate), Liverpool; Mr. Frederick Johnson Twelves (Associate), Colwyn Bay.

At a second meeting of the Council, held after the Annual General Meeting, the following appointments were made :—

ELECTION OF PRESIDENT.

Upon the motion of Mr. Frederic Walmsley, seconded by Mr. C. Hewetson Nelson, it was resolved unanimously that Mr. E. Cassleton Elliott, London, be re-elected President of the Society for the ensuing year.

ELECTION OF VICE-PRESIDENT.

Upon the motion of Mr. E. Cassleton Elliott, seconded by Mr. Henry Morgan, it was also resolved unanimously that Mr. R. Wilson Bartlett, Newport (Mon.) be re-elected Vice-President of the Society for the ensuing year.

ELECTION OF COMMITTEES.

The following Committees were elected :—

Disciplinary Committee.—The President, the Vice-President, Mr. Arthur Collins, Mr. Walter Holman, Mr. Thomas Keens, Mr. Henry Morgan, Mr. C. Hewetson Nelson, Mr. W. H. Payne, Mr. Percy Toothill, and Mr. F. Walmsley.

Finance and General Purposes Committee.—The President, the Vice-President, Mr. H. J. Burgess, Mr. Arthur Collins, Mr. Walter Holman, Mr. Thomas Keens, Mr. Henry Morgan, Mr. C. Hewetson Nelson, Mr. W. H. Payne, Mr. W. Paynter, Mr. G. S. Pitt, Mr. Alan Standing, and Mr. R. T. Warwick.

Examination and Membership Committee.—The President, the Vice-President, Mr. H. J. Burgess, Mr. W. Norman Bubb, Mr. Arthur Collins, Mr. Walter Holman, Mr. H. Morgan, Mr. C. Hewetson Nelson, Mr. W. H. Payne, Mr. W. Paynter, Mr. Percy Toothill, Mr. R. T. Warwick, Mr. Richard A. Witty, and Mr. F. Woolley.

Parliamentary Committee.—The President, the Vice-President, Mr. R. M. Branson, Mr. Arthur Collins, Mr. Walter Holman, Mr. Thomas Keens, Mr. Ernest T. Kerr, Mr. Henry Morgan, Mr. C. Hewetson Nelson, Mr. G. S. Pitt, Mr. E. W. C. Whittaker, and Mr. Richard A. Witty.

Articles and Bye-laws Committee.—The President, the Vice-President, Mr. D. E. Campbell, Mr. W. Allison Davies, Mr. W. Paynter, Mr. Alan Standing, Mr. Percy Toothill, Mr. R. T. Warwick, and Mr. E. W. C. Whittaker.

District Societies Committee.—The President, the Vice-President, Mr. R. M. Branson, Mr. D. E. Campbell, Mr. W. Allison Davies, Mr. Edmund Lund, Mr. F. Holliday, Mr. Walter Holman, Mr. Thomas Keens, Mr. Ernest T. Kerr, Mr. W. Paynter, Mr. R. T. Warwick, Mr. Richard A. Witty, and Mr. F. Woolley.

EXAMINERS.

The following were elected Examiners of the Society :—Sir Josiah Stamp, G.B.E., Sc.D., LL.D., D.Sc., Mr. W. H. Coates, Ph.D., LL.B., B.Sc., Mr. C. Hewetson Nelson, F.S.A.A., Mr. W. Norman Bubb, F.S.A.A., Mr. Richard A. Witty, F.S.A.A., Mr. Walter Holman, F.S.A.A., Mr. Roland Burrows, K.C., Mr. Clement C. Gatley, M.A., D.C.L., LL.D., Mr. E. T. Allen, M.A., Mr. Charles B. Milne, K.C., M.P., and Mr. J. Malvern White, B.A., LL.B.

FINANCE BILL.

The following are the provisions of the Finance Bill relating to Income Tax and certain other financial matters :—

PART II.

Income Tax.

22.—(1) Income tax for the year 1933-34 shall be charged at the standard rate of five shillings in the pound, and, in the case of an individual whose total income from all sources exceeds two thousand pounds, at such higher rates in respect of the excess over two thousand pounds as Parliament may hereafter determine.

(2) All such enactments as had effect with respect to the income tax charged for the year 1932-33 shall have effect with respect to the income tax charged for the year 1933-34.

HIGHER RATES OF INCOME TAX FOR 1932-33.

23. Income tax for the year 1932-33 shall be charged, in the case of an individual whose total income from all sources exceeded two thousand pounds, at the same higher rates in respect of the excess over two thousand pounds as were charged for the year 1931-32.

AMENDMENT AS TO PAYMENT OF TAX BY INSTALMENTS.

24. Section eight of the Finance Act, 1931 (which amended the amount of the instalments payable under sub-section (2) of section one hundred and fifty-seven of the Income Tax Act, 1918), shall cease to have effect as respects tax for the year 1933-34 and subsequent years, and the said sub-section (2) shall have effect as respects tax for those years as it had effect as respects tax for the year 1930-31.

CONTINUANCE OF ALLOWANCE FOR REPAIRS.

25.—(1) Section twenty-eight of the Finance Act, 1923 (which relates to the allowance for repairs and which was continued in force by section twenty of the Finance Act, 1928, until the fifth day of April, nineteen hundred and thirty-three), shall continue in force until the fifth day of April, nineteen hundred and thirty-six.

(2) This section shall be deemed to have had effect as from the sixth day of April, nineteen hundred and thirty-three.

PART V.

Miscellaneous and General.

REDUCTION OF STAMP DUTY ON STATEMENTS AS TO CAPITAL OF COMPANIES, &c.

32.—(1) Ten shillings shall be substituted for one pound as the *ad valorem* stamp duty imposed by sections one hundred and twelve and one hundred and thirteen of the Stamp Act, 1891, as extended by section twelve of the Finance Act, 1896, on statements as regards the capital of the companies referred to in those sections.

This sub-section shall have effect as respects the capital of any such company as aforesaid which was registered or otherwise incorporated on or after the twenty-sixth day of April, nineteen hundred and thirty-three, and as respects any increase of capital of any such company which was authorised on or after that date.

(2) Ten shillings shall be substituted for one pound as the *ad valorem* stamp duty imposed by section eleven of the Limited Partnerships Act, 1907, on statements as regards the amount contributed by limited partners to limited partnerships.

This sub-section shall have effect as respects any amount or increased amount contributed as aforesaid on or after

the twenty-sixth day of April, nineteen hundred and thirty-three.

EFFECT OF NON-COMPLIANCE WITH STAMP LAWS IN CASE OF CERTAIN BILLS OF EXCHANGE.

33. Notwithstanding any enactment to the contrary, a bill of exchange which is presented for acceptance, or accepted, or payable, outside the United Kingdom shall not be invalid by reason only that it is not stamped in accordance with the law for the time being in force relating to stamp duties, and any such bill of exchange which is unstamped or not properly stamped may be received in evidence on payment of the proper duty and penalties as provided by section fourteen and sub-section (1) of section fifteen of the Stamp Act, 1891.

REDUCTION OF RATE OF INTEREST ON DEATH DUTIES.

34.—(1) Section thirty of the Finance Act, 1919 (which amended section eighteen of the Finance Act, 1896, by increasing the rate of interest on death duties from three to four per cent. per annum), shall cease to have effect except as respects interest accruing due before the twenty-sixth day of April, nineteen hundred and thirty-three, and the said section eighteen shall have effect as originally enacted as respects interest accruing due on or after that date.

(2) Sub-section (3) of section seventeen of the Law of Property Act, 1925, and sub-section (6) of section seventy-three of the Land Registration Act, 1925, shall have effect, as respects interest accruing due on or after the said date, as if for the words "four pounds" there were substituted the words "three pounds."

REDUCTION OF RATE OF INTEREST ON EXCESS PROFITS DUTY.

35. Sub-section (4) of section thirty-four of the Finance Act, 1922 (which provides for the charging of interest at the rate of four and a half per cent. per annum on excess profits duty), shall, as respects interest accruing due on or after the twenty-sixth day of April, nineteen hundred and thirty-three, have effect as if for the words "four and a half per cent." there were substituted the words "three per cent."

EXERCISE OF POWERS OF BOARD OF TRADE ACT.

37. Any regulations authorised under this Act to be made by the Board of Trade may be made by the President of the Board or in his absence by a Secretary of State, and any other thing required or authorised under this Act to be done by, to, or before the Board of Trade may be done by, to, or before the President of the Board or any person authorised by him in that behalf.

SHORT TITLE, CONSTRUCTION, EXTENT AND REPEALS.

38.—(1) This Act may be cited as the Finance Act, 1933.

(3) Part II of this Act shall be construed as one with the Income Tax Acts.

(4) Any reference in this Act to any other enactment shall be construed as a reference to that enactment, as amended by any subsequent enactment, including this Act.

(5) In this Act the expression "the United Kingdom" does not include the Isle of Man.

(6) Such of the provisions of this Act as relate to matters with respect to which the Parliament of Northern Ireland has power to make laws shall not extend to Northern Ireland.

(7) The enactments set out in the Eighth Schedule to this Act are hereby repealed to the extent mentioned in the third column of that Schedule.

EIGHTH SCHEDULE.
Enactments Repealed.

Session and Chapter.	Short Title.	Extent of Repeal.
7 & 8 Geo. 5. c. 31.	The Finance Act, 1917.	Section thirty-two.
11 & 12 Geo. 5. c. 47.	The Safeguarding of Industries Act, 1921.	Section ten.
15 & 16 Geo. 5. c. 36.	The Finance Act, 1925.	Section ten.
17 & 18 Geo. 5. c. 10.	The Finance Act. 1927.	Sub-section (1) of section eight and Part I of the Third Schedule.
21 & 22 Geo. 5. c. 28.	The Finance Act, 1931.	Section eight.
22 & 23 Geo. 5. c. 8.	The Import Duties Act, 1932.	Sub-section (4) of section four; sections six, seven and seventeen and the Third Schedule.
22 & 23 Geo. 5. c. 25.	The Finance Act, 1932.	Sub-section (4) of section twenty-eight.
22 & 23 Geo. 5. c. 53.	The Ottawa Agreements Act, 1932.	Sub-section (7) of section two.

MUNICIPAL CORPORATIONS AUDIT BILL

The following is the text of the above Bill as amended by the House of Commons and sent to the House of Lords :—

POWER OF BOROUGH COUNCIL TO VARY EXISTING PROVISIONS AS TO AUDIT.

1.—(1) In any borough in which the provisions of this sub-section are adopted—

(*a*) the accounts of the corporation and the accounts of the borough treasurer and other officers of the corporation shall, instead of being audited by borough auditors in accordance with the Municipal Corporations Act, 1882, be audited by district auditors in like manner as accounts of an urban district council and its officers, and the enactments relating to audit by district auditors and to all matters incidental thereto and consequential thereon shall apply in like manner as if they were herein re-enacted with the necessary modifications; and

(*b*) sections twenty-five, twenty-six and twenty-seven of the Municipal Corporations Act, 1882, and section two hundred and forty-six of the Public Health Act, 1875, shall cease to be in force.

(2) In any borough in which the provisions of this sub-section are adopted—

(*a*) the accounts of the corporation and the accounts of the borough treasurer and other officers of the corporation shall, instead of being audited by borough auditors as aforesaid, be audited by one or more auditors appointed in accordance with the schedule to this Act, and the provisions of that schedule shall have effect with respect to the qualifications, powers and duties of any auditor so appointed; and

(*b*) section twenty-five of the Municipal Corporations Act, 1882, shall cease to be in force, and references to borough auditors in section twenty-seven of that Act and to auditors of the borough in section two hundred and forty-six of the Public Health Act, 1875, shall be construed as references to the auditor or auditors so appointed.

(3) The provisions of sub-section (1) or of sub-section (2) of this section may be adopted in any borough by means of a resolution of the council of the borough in that behalf, being a resolution—

(*a*) passed by a majority consisting of not less than two-thirds of the members of the council present and voting at a meeting called for the purpose, of which not less than one month's previous notice has been given to every member of the council; and

(*b*) confirmed by the council at a regular meeting held not less than one month after the passing of the resolution.

(4) Any resolution passed and confirmed for the purposes of this section shall take effect in the case of a resolution adopting the provisions of sub-section (1) of this section as from such date as the Minister of Health may by order direct and, in the case of a resolution adopting the provisions of sub-section (2) of this section, as from such date as may be specified in the resolution.

INSPECTION AND COPIES OF REPORTS.

2.—Every local government elector for a borough in which the provisions of sub-section (1) or sub-section (2) of section one are adopted may at all reasonable times, without payment, inspect and take copies of and extracts from any report of the district auditor or other auditor or auditors thereunder appointed.

SHORT TITLE AND EXTENT.

3.—(1) This Act may be cited as the Municipal Corporations Audit Act, 1933.

(2) This Act shall not extend to Scotland or Northern Ireland.

SCHEDULE.

ALTERNATIVE PROVISIONS WHICH MAY BE ADOPTED AS TO AUDITORS.

1. The auditor or auditors shall be appointed in writing under the seal of the corporation for such period and on such terms as to remuneration and otherwise as the council of the borough think fit.

2. No person shall be qualified to be so appointed unless he is a member of one or more of the following bodies, namely:—

The Institute of Chartered Accountants in England and Wales;

The Society of Incorporated Accountants and Auditors;

The Society of Accountants in Edinburgh;

The Institute of Accountants and Actuaries in Glasgow;

The Society of Accountants in Aberdeen;

The London Association of Certified Accountants, Limited;

The Corporation of Accountants Limited.

3. Any auditor so appointed shall be entitled to require from any officer of the corporation such documents, information and explanations as may be necessary for the performance of his duties.

4. Any auditor so appointed shall include in or annex to any certificate given by him with respect to the accounts audited by him such observations and recommendations (if any) as he thinks necessary or expedient to make with respect to the accounts or any matter arising thereout or in connection therewith.

QUESTIONS IN PARLIAMENT.

National Debt and Death Duties.

On May 1st, Mr. LEWIS asked the Chancellor of the Exchequer what was the net addition to, or reduction from, the nominal amount of debt outstanding in each of the years since the War; and also the total yield of the Death Duties during each of the same years.

Mr. HORE-BELISHA: As the answer contains a number of figures, I will, with my Hon. Friend's permission, circulate it in the official report.

Following is the answer:—

Year ended March 31st.	Net increase or decrease in Nominal Debt.	Revenue received from Death Duties.
1919	£1,563,098,792	£30,262,000
1920	— 393,829,666	40,904,000
1921	— 254,420,609	47,729,000
1922	— 79,942,690	52,191,000
1923	— 87,932,111	56,871,000
1924	— 101,186,335	57,800,000
1925	— 43,198,899	59,450,000
1926	— 39,203,754	61,200,000
1927	— 4,026,652	67,320,000
1928	— 26,800,769	77,310,000
1929	— 27,479,224	80,570,000
1930	— 31,298,843	79,770,000
1931	— 55,730,186	82,610,000
1932	— 20,634,255	65,000,000
1933	— 211,010,000 (approx.) *	77,140,000

*Including expenses of conversion of the War Loan and the sum of £150,000,000 borrowed for the Exchange Equalisation Account against which the assets are held.

Local Authorities (Rates Revenue).

On May 4th, Mr. MABANE asked the Minister of Health whether he can state the total receipts from the rates of local authorities in England and Wales during 1932.

Sir H. YOUNG: The estimated receipts of local authorities in England and Wales from rates during the year beginning on April 1st, 1932, amounted to £146,250,000.

Direct and Indirect Taxation.

On May 15th, Mr. T. SMITH asked the Chancellor of the Exchequer the percentage of revenue obtained by direct and indirect taxation for the financial year 1930-31, and the estimated percentages for the year 1933-34.

Mr. HORE BELISHA has circulated the following figures:

	Indirect Taxes. Per cent.	Direct Taxes. Per cent.
1930-31	34.23	65.77
1933-34 (estimated)	39.16	60.84

Income Tax.

On May 23rd Mr. PRICE asked the Chancellor of the Exchequer the amount of revenue from Income Tax upon incomes up to £500, between £500 and £750, between £750 and £1,000, and over £1,000?

Mr. HORE BELISHA: The statistics collected regarding the Income Tax do not classify, by reference to amount of total income, either the numbers of taxpayers or the amounts of tax paid by them, and it is only possible, therefore, to make rough estimates of the distribution of the produce of the Income Tax (including sur-tax) over wide zones of income. It is estimated that the total tax payable by individuals is £250,000,000, divided as follows:—

Incomes up to £500	£23,000,000
Incomes £500 to £1,000 ..	35,000,000
Incomes £1,000 to £2,000 ..	40,000,000
Incomes exceeding £2,000 ..	152,000,000

The Society of Incorporated Accountants and Auditors.

48th ANNUAL GENERAL MEETING.

THE 48th Annual General Meeting of the Society was held at Incorporated Accountants' Hall, Victoria Embankment, London, on Thursday, May 18th. Mr. E. CASSLETON ELLIOTT (President of the Society) occupied the chair, and was supported by Mr. R. Wilson Bartlett (Vice-President) and the following members :—

Mr. Frederic Walmsley, Mr. C. Hewetson Nelson, Sir James Martin, Mr. Thomas Keens, and Mr. Henry Morgan, (Past Presidents); Mr. W. Norman Bubb, Mr. H. J. Burgess, Mr. D. E. Campbell, Mr. W. Allison Davies, Mr. F. Holliday, Mr. Walter Holman, Mr. E. T. Kerr, Mr. E. Lund, Mr. James Paterson, Mr. W. H. Payne, Mr. Wm. Paynter, Mr. A. E. Piggott, Mr. J. Stewart Seggie, Mr. Alan Standing, Mr. Percy Toothill, Mr. A. H. Walkey, Mr. R. T. Warwick, Mr. E. W. C. Whittaker, Mr. Richard A. Witty, Mr. Fred Woolley, (Members of the Council); Mr. W. H. Ashmole, Mr. W. J. Back, Mr. E. Baldry, Mr. C. Percy Barrowcliff, Mr. D. H. Bates, Mr. A. E. Bell, Mr. W. A. H. Blinkhorn, Mr. C. W. Braddy, Mr. F. Sewell Bray, Mr. A. F. Chick, Mr. F. E. Clements, Mr. E. C. Coleman, Mr. H. E. Colesworthy, Mr. G. Craven, Mr. R. Davis, Mr. C. M. Dolby, Mr. T. W. Dresser, Mr. R. Simpson Duthie, Mr. W. F. Edwards, Mr. E. M. Fraser, Mr. G. Gallimore, Mr. D. F. Goode, Mr. G. J. Hakim, Mr. Alexander Hannah, Mr. T. Haworth, Mr. F. W. Higgison, Mr. A. H. Hughes, Mr. A. V. Hussey, Mr. W. J. Jackson, Mr. W. L. Karamelli, Mr. Harry C. King, Mr. H. J. Lester, Mr. J. W. Lussignea, Mr. John Mackie, Mr. W. O. Mayhew, Mr. D. F. Middlemiss, Mr. J. J. Middleton, Mr. W. Bertram Nelson, Mr. W. C. Olliffe, Mr. W. G. Olliffe, Mr. L. H. F. Pinhorn, Mr. J. A. Plumpton, Mr. John Potter, M.P., Mr. G. Roby Pridie, Mr. Tom Revell, Mr. G. F. Richardson, Mr. G. A. Ridgway, Mr. S. M. Rix, Mr. S. H. Robb, Mr. C. A. Sales, Mr. C. N. C. Sebright, Mr. N. Keith Silver, Mr. A. W. Sleeman, Mr. Arthur J. Smith, Mr. T. Holt Soul, Mr. Owen Stallwood, Mr. Wm. Strachan, Mr. R. C. L. Thomas, Mr. Percy H. Walker, Mr. E. J. Williams, Mr. J. H. Willott, Mr. Harold C. Wright; also Mr. J. R. W. Alexander, (Standing Counsel), Mr. E. E. Edwards, (Parliamentary Secretary), and Mr. A. A. Garrett (Secretary).

The SECRETARY read the notice convening the meeting and the minutes of the 47th ordinary general meeting held in May, 1932, and the report of the auditors.

President's Address.

I have pleasure in moving the adoption of the 48th Annual Report and Accounts of the Society. Although the year was difficult for all of us, the normal progress of the Society has been maintained. The Society's administration has been carried on with efficiency, and the numbers of candidates for the examinations and of admission to membership were at a satisfactory level.

To the great regret of his colleagues, Mr. Arthur E. Woodington resigned from the Council because of ill-health. Mr. Woodington had been a member of the Council for well over thirty years, and had held important offices in the Society, including the Presidency during the war period. He has by his charming courtesy and geniality endeared himself to all members of the Society, and in his retirement we wish him every happiness.

My predecessors have referred from time to time to the valuable work of the respective Committees of Incorporated Accountants in the British Dominions. You will see from the Report that a candidate from Durban, Mr. W. D. Bramwell, was awarded the Society's Gold Medal for the year 1932, he being bracketed with Mr. F. J. Riches, of Norwich, who was also awarded a Gold Medal. Other names from South Africa appear in the honours list, and I should like to offer my congratulations to the Society's South African Committees and to the candidates concerned.

I have had the pleasure of being entertained by most of the Branches and District Societies in different parts of the country, and during my visits I have been impressed with the value of their educational work and their desire to further the interests of Incorporated Accountants. In the early autumn the Incorporated Accountants' London and District Society were so good as to entertain me at a luncheon, and I am very grateful to them for this expression of their kindness and loyalty.

The financial position of the Society does not call for comment, except to say that to-day the Council have decided to redeem at the end of this year, in accordance with the terms of the Trust Deed, £7,000 debentures. This represents 10 per cent. of the total issue of debentures, created in connection with the purchase of Incorporated Accountants' Hall. This operation is in harmony with the present state of the money market, and with the policy under which the redemption reserve has been constituted by an annual appropriation from revenue.

INTERNATIONAL CONGRESS ON ACCOUNTING, 1933.

The programme of the fourth International Congress on Accounting has now been placed in your hands. The sponsoring bodies look forward to receiving in London a number of visitors from overseas, and particularly to reciprocating the hospitality extended to the profession in this country at previous congresses. It is a matter of interest to the accounting profession that the offices of President and Vice-President have been accepted by Lord Plender and Sir James Martin respectively.

The number of papers has been necessarily limited, to enable the subjects scheduled to be thoroughly discussed; full particulars are detailed in the programme. It is the hope of the Executive Committee, representative of the bodies who are acting as hosts, that the Congress will be well supported by members of the profession in this country, who will thus do honour to those who will be our guests.

MUNICIPAL CORPORATIONS (AUDIT) BILL.

A Private Member's Bill is now before the House of Commons, having for its object the definition of the arrangements for the audit of the accounts of Municipal Corporations. This question has for many years been the subject of proceedings in Parliament arising from the power sought by Municipal Corporations in local Bills to appoint professional auditors, and, in some cases, District Auditors of the Ministry of Health. This position followed the recommendation of the Joint Select Committee of both Houses of Parliament in 1903 in regard to Municipal Trading, over which the Earl of Crewe presided. That Committee recommended that the accounts of all local authorities should be professionally audited. We may regret that successive Governments failed to give effect in a general Act to the recommendations of that Committee, but in the course of years a large number of Municipal Corporations obtained, piecemeal and on their own initiative, powers to appoint professional auditors. Such powers were contained in local Acts. The extension of municipal activities and the granting of Charters of Incorporation as boroughs to a number of Urban District Councils have made it necessary to simplify the machinery for the appointment of auditors. Although the Bill is a Private Member's Bill, it is understood to have the benevolent support of the Government, and is likely to find its way into the Statute Book.

The general position, apart from local Acts, is governed by the Municipal Corporations Act of 1882, by which the burgesses may elect borough auditors (usually described as elective auditors) irrespective of any professional qualification whatever. The Bill now before Parliament enjoins that a Municipal Corporation, by resolution of the Council, may appoint district auditors of the Ministry of Health, or professional auditors, to audit the accounts of the Corporation, in lieu of the elective auditors under the Municipal Corporations Act, 1882. A schedule attached to the Bill sets forth the professional qualifications which are recognised for the purpose of the Bill. The passage of this Bill into law should settle a protracted controversy.

In view of the alternative methods of audit provided by the Bill and the well-tried system of professional auditors, I hope that the Bill will not lead to an extension of official activity. I suggest that the professional audit of the accounts of Municipal Corporations combines a high standard of efficiency with due regard to national economy, since the accountancy profession can offer an adequate service for the audit of the accounts of Corporations.

DIRECT TAXATION.

I should like to make some general observations upon direct taxation.

The income tax has indeed made history since it was first imposed by Pitt in 1798 as a war measure, repealed in 1816 and subsequently re-imposed in 1842, when, although intended to be temporary, in fact it became part of the tax system of the country. In 1815 the income tax yielded for those times the not inconsiderable sum of £15 million, but was regarded as an inquisitorial interference with liberty and property by taxpayers, whose attitude was characterised by Castlereagh as "ignorant impatience of taxation." For these reasons it was repealed.

Income tax has proved a valuable source of revenue to the Government, not only in times of prosperity but also in times of depression. The buoyancy of the yield, the conformity of the tax to the accepted principles of taxation, and its practical convenience, coupled with the pressing financial needs of the State, have entrenched the income tax system as a vital and far-reaching element in our system of Government, and certainly as an instrument of revenue. Whatever the individual citizen may think of the personal imposts upon him—and these are now burdensome in the extreme—the raising and expenditure of revenue by Parliament are concurrent with the political stability and personal liberty we enjoy as part of our constitutional heritage. Nor must we forget the safety, security and other more tangible amenities which can only be provided by public expenditure.

The country has noted with misgiving that the buoyancy which had characterised direct taxation for many years has, during these difficult days, shown a definite falling away. This is hardly surprising. The integration of direct taxation with national financial and economic policy is a relationship with which we must reckon. This relationship is emphasised when taxation is high and its repercussions become seriously apparent. Taxation is no longer a subject for an individual grumble or merely personal inconvenience. Stimulated by patriotic motives, the good citizen has paid up, reserved his grumbles for better times, and beggared the Revenue of useful arrears.

The recent Budget has been praised for its caution and criticised for its lack of imagination. But our own professional experience in regard to revenue and expenditure in every sphere dictates that a balanced Budget for the country, as elsewhere, is vital. That being the case, there was no reduction in the rate of income tax and sur-tax, and we must bear still further that anticipation as a cherished wish. The concession in the method of payment made to income tax payers under Schedules D and E is useful, if limited, and possibly may not be disconnected with a hope of the Chancellor of the Exchequer that a reduction of the rate of income tax in April, 1934, may be possible.

Within the limits of a balanced Budget, and taking one fiscal year only, the case for income tax relief in 1933-34 depended on:

(1) Any reduction in the rate giving rise to a less than proportionate decrease in yield;

(2) The consequent stimulation of trade resulting in a decrease in the cost of unemployment;

(3) An increased revenue from certain customs, excise and stamp duties arising from increased purchasing power;

(4) The combined result of (1) (2) and (3) balancing

the full loss of revenue calculated solely with regard to a reduction in the rate.

Treasury Budget forecasts did not apparently lead to that conclusion, and the Chancellor of the Exchequer was not prepared to take a longer shot or the immediate risk involved of unbalancing the Budget. Seeing that income tax assessments for the current year are based on the income of last year, that conclusion can well be understood.

While accepting this position, I would call attention to the now cumulative and serious effect over a long period, of the burden of direct taxation and excessive national expenditure upon industry and commerce. This is not merely a general observation, as the situation has impressed itself upon our minds as a result of our professional experience in a large number of individual cases.

The Chancellor of the Exchequer claimed that the National Government had effected economies or had absorbed automatically expanding expenditure to the tune of £113,000,000; yet in the current year, even with the suspension of the Sinking Fund, direct taxation remains at an almost intolerable level. Successive Governments have shown considerable ingenuity in raising the revenue which their policy required, but I have wondered whether that energy and knowledge might have been more profitably employed in attempting to reduce the expenditure.

Our present troubles arise in the main from world conditions, but we cannot omit the long term results of high direct taxation and its more immediate effects as a deterrent to enterprise and to the restoration of commercial confidence. We may seriously ask, has high direct taxation been a contributory cause of unemployment? The state of the national finances during the last few years has put a check to public confidence in the efficacy of public expenditure. I hope that in regard to any contemplated measures of social amelioration, Governments will not forget that the cost of any social service tends to increase year by year. Commitments are thus incurred and cannot be repudiated.

I have prepared a table showing the relation of Income Tax and Sur-tax and Death Duties to the National Income at intervals since 1842. There is no doubt, in my opinion, that the increasing slice of the national income received from direct taxation shown by the table has unduly depleted the sources of capital investment and the working capital of industry and commerce.

In practice, therefore, the State, through income tax and sur-tax, becomes a partner in every undertaking in this country—sharing in the profits, though to a much lesser extent in the losses. This is particularly the case in regard to new enterprise, where the risk of loss is borne entirely by those who find the original capital. This implicit partnership must be based on a large degree of mutual trust and confidence. It imposes a duty on the taxpayer of proper disclosure of all sources of income, frequently through the professional assistance of a member of the accountancy profession, and confidence on the part of the State that the information where properly certified can be relied on. The services of Incorporated Accountants with those of other members of the profession constitute a definite part of the income tax system, which otherwise would become even more burdensome, if not impracticable.

Our relations with the Inland Revenue continue to be satisfactory. In furtherance of the known desire of the Board to cause as little difficulty as possible to taxpayers, I would suggest that where accounts properly certified by Incorporated Accountants are submitted, the reduction of requests for further details, particularly of expenditure charged, would be helpful. I mention this matter because I think there is a tendency for such requests to increase, and some of them, in my view, are unnecessary.

To arrive at the statutory income necessarily involves a number of adjustments in profits and income ascertained by sound accountancy methods. But while admitting those necessary adjustments, I think greater flexibility ought to be given either in the terms or in the administration of sect. 34 of the Income Tax Act, 1918, relating to claims for repayment. Where a clear business loss either swallows up or substantially reduces other items of income taxed at the source, the fact that in certain cases the tax so deducted cannot be reclaimed in whole or in part is a definite check to enterprise. This has undoubtedly led in some cases to the relinquishment of business to the detriment of the country. It is true that any loss sustained in this way may be carried forward, but to the long suffering taxpayer this is only hope deferred.

Since the Report of the Royal Commission on Income Tax in 1920, the rapidity of scientific invention and the development of industrial research have given to depreciation and obsolescence much greater significance in arriving at annual income. The Chairman of Imperial Chemical Industries Limited recently called attention to the fact that plant and machinery used in experimental work and scrapped gave rise to no claim for obsolescence, since the plant and machinery were not replaced. And yet the expansion of industry and the consequent expansion of employment are largely dependent on research and experiments with manufacturing processes on a commercial scale.

I would call attention to a particularly unsatisfactory type of advertising. It takes the form of a letter to a taxpayer (not infrequently the client of a member of the profession) from a person who describes himself as a tax specialist and as an ex-Inspector of Taxes. In the course of the letter the writer claims that he knows of a substantial form of income tax relief of a special kind which is very rarely claimed, and further, that even some inspectors are not aware of this relief, which may be available for the six preceding years. An invitation to furnish particulars, and to the client to transfer his income tax affairs, follows, in which case remuneration will be by results on a commission basis.

Mr. Baldwin, when he was Chancellor of the

Exchequer, wrote a letter published in 1923 expressing his strong objection to former servants of the Crown laying claim to exceptional knowledge of taxation matters, and to the indiscriminate solicitation of business by them on the basis of "no result: no pay," in competition with regular professional advisers. I am afraid the effect of that definite letter has worn thin in some quarters.

But the soliciting letter I have mentioned leads to another aspect, and to dispel the atmosphere of mystery which is aroused by such a letter I would suggest that as a matter of justice and of smooth administration recognised bodies of accountants should be supplied by the Board of Inland Revenue with information of concessions or reliefs approved, so that they may be claimed, if applicable, on behalf of their clients.

The satisfactory administration of this great system of income tax and sur-tax depends on the equitable adjustment of the assessments on taxpayers. The sources of income are many and varied, the law and practice of income tax complicated, and the adjustment of the taxpayer's liability calls for skilled advice and assistance. The Income Tax Act provides that a taxpayer may be represented before Commissioners of Taxes by members of both branches of the legal profession and by members of the accountancy profession. The law does not confer any monopoly in regard to the adjustment of income tax with the Inland Revenue, but necessarily income tax adjustment is substantially an accountancy question of a professional character. I feel I should refer to the services which the accountancy profession has rendered to the public in this respect, because we cannot be unmindful of the offers from other quarters by advertising of one kind or another, in which I regret to include some of the large financial institutions. The services of these institutions to the country are inestimable in their own sphere, but I cannot view without misgiving their incursions into a professional sphere supported by advertising, which is quite properly forbidden to us in our individual capacity as members of a profession.

I would conclude my observations with a note of appreciation to the officials of the Board of Inland Revenue in regard to their discharge of the great task entrusted to them.

This is the first annual meeting I have addressed since the Council honoured me by electing me as President of the Society. I have enjoyed very much the work of my first year of office, and I desire to express my appreciation to all my colleagues on the Council, and particularly to my Vice-President, Mr. Wilson Bartlett, and the Past Presidents for their support and assistance in many directions. I should also like to include in this note of appreciation the services of the secretariat of the Society and the staff.

We are living in difficult, but I hope improving, times, and I attribute the continued progress of the Society of Incorporated Accountants and Auditors to the wisdom and foresight of those who have gone before us, and who have passed on such a rich inheritance.

I should like to conclude my address with a sympathetic reference to the large number of our fellow-countrymen who are suffering from unemployment, and whose unhappy position appeals to all of us. It is the earnest hope of all Incorporated Accountants that we are moving to better times, and that there may be a continuous and satisfactory improvement in the unemployment situation of the country. Our thoughts and our work in our own sphere are directed to that purpose.

I now have pleasure in moving that the report of the Council and the accounts for the year 1932 be adopted, and I will ask Mr. Wilson Bartlett, the Vice-President, to second it.

Mr. R. WILSON BARTLETT formally seconded the resolution.

APPENDIX TO PRESIDENT'S SPEECH.

Relation of Income Tax and Death Duties to National Income, 1842-43 to 1932-33.

Year.	Standard Rate of Income Tax.	Total Government Revenue.	Revenue from			% of Revenue from			National Income (Various Estimates).		% of Estimated National Income paid in Income and Sur Tax and Death Duties.
			Income Tax.	Super and Sur Tax.	Death Duties.	Income Tax and Sur Tax.	Death Duties.	Total.			
		£000	£000	£000	£000					£000	
1842–43	7d.	51,122	581 (Duty charged 5,608)	—	2,241	1.1	4.3	5.5	1835–40	515,000	0.5
1874–75	2d.	74,922	4,306	—	5,554	5.7	7.4	13.2	1875	1,200,000	0.8
1887–88	7d.	89,802	14,440	—	8,284	16.1	9.2	25.3	1888	1,300,000	1.7
1891–92	6d.	90,995	13,810	—	8,282	15.2	9.1	24.3	1891	1,600,000	1.4
1905–06	1/–	153,879	31,350	—	12,970	20.4	8.4	28.8	1904	1,710,000	2.6
1907–08	1/–	156,538	32,380	—	19,070	20.7	12.2	32.9	1907	1,945,000	2.6
1909–10	1/2	131,697	13,295	—	21,766	10.1	16.5	26.5	1908	1,920,000	1.8
1910–11	1/2	203,851	59,055	2,891	25,452	30.4	12.5	42.9	1911	2,012,000	4.3
1913–14	1/2	198,243	43,929	3,320	27,359	23.8	13.8	37.6	1913	2,250,000	3.3
1915–16	3/–	336,767	111,555	16,765	31,035	38.1	9.2	47.3		—	—
1920–21	6/–	1,425,985	338,865	55,281	47,729	27.6	3.3	31.0	1920	3,900,000	11.3
1929–30	4/–	814,970	237,426	56,390	79,770	36.1	9.8	45.8	1929	3,996,000	9.3
1932–33	5/–	827,031	251,539	60,650	77,140	37.7	9.3	47.1	1931	3,499,000	11.1

Compiled from books by Sir Bernard Mallet on "British Budgets," by Sir Josiah Stamp on "British Incomes and Property," and by Colin Clark on "The National Income, 1924-1931," and other sources.

Discussion.

Mr. W. G. OLLIFFE (London) said that as far as the accounts were concerned he thought there was nothing in them except what called for congratulations to the Council for the care and attention they had given to the Society's affairs; and when it came to their Presidential Address, he thought they would all agree that it bore the impress of very careful thought and attention to matters generally and in particular to matters that affected them professionally. He was going to emphasise in the short time at his disposal two points. Taking the summary of the President's address, of which they all had a copy, Mr. Cassleton Elliott had suggested that where accounts properly certified by Incorporated Accountants were submitted, the reduction of requests for further details, particularly of expenditure charged, would be helpful. Well, they all agreed with that—particularly when they found an Inspector of Taxes asking them to reconcile the opening and closing stocks in a trading account. (Laughter.) He would pass over the obvious adjustments and come to the second point, namely, that there should be greater flexibility in the terms or in the administration of sect. 34 of the Income Tax Act, 1918, relating to claims for repayment. That was a point of paramount importance to them in practice. They might, however, express opinions and make many speeches, but they would get nowhere unless they passed a definite resolution and sent it to the proper quarter. The President was perfectly right when he dealt with an unsatisfactory type of advertising. Advertising was the life-blood of trade and industry. In the accountancy profession they were properly debarred from advertising, but when they found gentlemen leaving the Government service on a comfortable pension and setting up in business and stealing part of their practice, it was time that something definite was done, and something definite could only be done if some speaker following him would frame a resolution of protest; he thought it would be quite within the power of the Government to attach some condition to pensions applicable to civil servants that they should not engage in the duties which some of them were now engaging in, and which rightly belonged to the accountancy profession. Another point he wished to deal with was this: he wished to emphasise the President's very wise suggestion that as a matter of justice and smooth administration the Board of Inland Revenue should supply to recognised bodies of accountants information as to concessions, reliefs, &c. That was a thing which was long overdue, because, as the President had remarked, the question of income tax assessments and income tax generally was a matter in regard to which the Revenue was very largely dependent upon professional accountants. There was a degree of confidence existing between the Inland Revenue Office and themselves, and he saw no reason at all why accountants should not be put in possession of information which would be of use to their clients.

Mr. PERCY H. WALKER (Cardiff) said he was very disappointed to have to come to the meeting once more and be absolutely unable to level any criticism at the Society's Accounts. (Laughter.) Speaking on behalf of the District Societies, he said they felt that the work the Council was doing was very valuable. He wished to tender to Mr. Cassleton Elliott his hearty congratulations on the Address he had delivered, which maintained the high standard of his predecessors. With regard to the remarks of the last speaker, he did not see how they could possibly pass a resolution asking the Government to attach conditions to the pensions they granted, but he did think they could do something to stop the cutting in of the banks from which they had been suffering. He viewed with alarm the way in which the banks were handling income tax matters—abatements, repayments, &c.—on a non-payment basis, or on the basis of payment for what they got back, whereas professional accountants did the work on the basis of payment for services rendered. He thought they might perhaps get some restrictions put upon the banks in that respect. He was pleased to see in their President's Address the suggestion that greater latitude should be exercised in the application of sect. 34 of the Income Tax Act, 1918. There were other sections, he thought, which might be applied more intelligently, particularly in regard to the payment of claims by people for bank interest. They would remember the case, which went to the House of Lords, in which a man was called upon to pay both the overdraft and the interest on an account of which he was guarantor. Because the account did not happen to be standing in his own name he was unable to obtain any redress in respect of that bank interest. Had he opened the account in his own name, and had the whole account transferred to him, and the interest paid in that way, he could have had the necessary allowance. Surely such anomalies as that could be done away with. (Hear, hear.)

Mr. D. F. MIDDLEMISS (London) said that the President had done well to draw attention to the effects of the high level of direct taxation under the burden of which we were all groaning. The subject was not a new one; none the less it was one which was of such tremendous significance that it affected everyone to a greater or lesser degree. Chambers of Commerce up and down the country had sent deputation after deputation to successive Chancellors of the Exchequer. They were told that the constant drip eventually wore away the stone. Was it too much to hope, therefore, that in our time those in high places would see the force of the repeated urge towards a reduction in our high direct taxation under the heads of income tax (including sur-tax) and death duties? He liked the President's simile of the State being virtually a partner in every undertaking, sharing in the profits of that undertaking and, to some extent, its losses. The President did well to emphasise the fact that in regard to new enterprise the risk of loss was borne entirely by those who found the original capital. The figures revealed in the table prepared by their President were illuminating. The total Government revenue in 1932-33 was, in round figures, £800 millions. Of this revenue, income tax and sur-tax provided £312 millions, and death duties £77 millions—together 47 per cent. of the total. Putting the matter in another way, our national income for 1931 was estimated at £3,500,000,000, and the yield from income tax, sur-tax and death duties represented 11 per cent. of that total.

The PRESIDENT said that the various observations which had been made would be considered by the Council, who would take such action as seemed desirable and possible.

Mr. T. HAWORTH (London) said that he also would like to add his congratulations to the President upon his Address. He would not care to say very much with regard to the matter of direct taxation. He thought that these meetings, however, were open to discuss any matters which were of interest to the profession. It had been his experience during the last 20 or 25 years to look into businesses of various kinds, and he had come to the conclusion that, at any rate as far as the internal conditions of business went, there was room for considerable improvement. He thought members of their profession could do a great service to themselves in studying the forms of, and necessity for records of various kinds. Perhaps if he gave an illustration

those present would appreciate the point. On one occasion he found in a certain organisation that there were no less than seven independent records of a particular type that they had received certain goods, when all that was wanted was a mere record of the fact that the goods had been received. It occurred to him that those members of the profession who were assisting their clients in finding methods and systems for them might very well pay attention to the substantial economies that could be made in reorganizing such records. A lot of money was spent in writing those things down, and more money was spent in trying to agree them and in re-shuffling and filing them, and in his opinion it was quite unnecessary. He felt that in many large organisations possibly 50 per cent. of these payments made might be cut out. Then there was a further point that applied in that direction. Even when they had started with an organisation and decided on a plan of procedure, they invariably found that other people got ideas and commenced to improve or mutilate that procedure, with the result that in a few years' time they would find it very difficult to recognise their own accounts. He thought that every organisation should take the opportunity, at least once every five years of going through the whole thing from top to bottom. In these days when we were all being urged not to waste our efforts but to conserve them in every possible way, there was an avenue in which the efforts of members of the profession could very well be utilised.

Mr. JOHN POTTER, M.P. (Blackpool), said he was very pleased indeed to be present on the occasion of the 48th annual meeting of the Society, and he would also like to congratulate the President upon his very excellent, fruitful and tactful survey of the accountancy position to-day. He had heard many Addresses in that hall and elsewhere on those occasions, but he had never heard a more lucid and a more practical Address given by a President of the Society. There was one thing he was happy about, and that was that Sir James Martin had been honoured with the appointment of the Vice-President of the International Congress on Accounting which was to take place in July of this year. He was also very pleased indeed to learn that their Secretary was going to be one of the two Assistant Secretaries in connection with that important meeting of accountants. He had a great regard for the Society of Incorporated Accountants and Auditors, and never let an opportunity pass of trying to advance the interests of the Society. On every possible occasion he used his influence to bring the name of the Society into prominence, and he believed he had been of some assistance to the Society and to the accountancy profession since he became a member of the present Parliament. He would like to say that they had appreciated the visits of the President to the District Societies throughout the country. Mr. Cassleton Elliott had done excellent work, and his presence at the various meetings in the provinces had given very great pleasure indeed to their members. He thought that members of the accountancy profession were not making full use of the opportunities they had of assisting the National Government and local Authorities of the country. We were going through times of great difficulty, and he knew of no body of men who were more capable from their training and experience of giving that assistance. He would urge all those members who possibly could to come forward and offer their services to the country in these distressful times. He was seriously of the opinion that we had not yet got over the great economic blizzard. He believed that we had some very difficult days in front of us. But united as we had been up till now, rendering every assistance we possibly could to those who controlled our destinies, he believed that eventually we should weather the storm. He had been very much struck with certain remarks of Mr. Olliffe, who referred to certain members of the Civil Service who had retired and who were encroaching upon the preserves of the accountancy profession. He had had many letters concerning the same subject, and he raised the matter in the House a little over twelve months ago. The point of his question was, could legislation be introduced to prevent men who had retired from Government service, and were receiving excellent pensions, from competing with members of the accountancy profession in the way referred to by the first speaker, and he was told that it was absolutely impossible for legislation to be introduced in that connection. And of course one could understand the reply that was given when one went fully into all the circumstances of old people retiring in different walks of life with pensions. To-morrow coming up for consideration in the House was the Municipal Corporations Audit Bill, and he very much regretted that there would probably be controversy in connection with certain applications from bodies of accountants in this country to be admitted to the schedule of that Bill. It was a great pity that there should be these points of difference, and he did think still, as he had thought for many years, that something ought to be done to prevent the constant springing up of all kinds of accountancy societies who, being registered as limited companies, claimed to bestow all kinds of qualifications without applying tests. In conclusion, he wished to offer his personal thanks to the President and members of the Council for the excellent work they had done during the past year. (Applause.)

Mr. JOHN MACKIE (London) said he merely wished to deal with one point, namely, that of precluding retired Inspectors of Taxes from acting as Income Tax Repayment Agents. He suggested that if they could not prevent a man on retiring from the Service from practising in any way, they might perhaps achieve their object by obtaining a limitation of his rights. He made that suggestion with the greater freedom because for all practical purposes he ceased to practice himself when he left Ireland four years ago. He had drafted very hurriedly the following resolution, which he ventured to submit to the meeting: "The Members of the Society of Incorporated Accountants and Auditors, in ordinary general meeting assembled, respectfully represent to H.M. Treasury that conditions should be attached to the retiring allowance of Inspectors of Taxes precluding them from practising as professional accountants or as income tax recovery agents."

Mr. G. F. RICHARDSON (London) said he had never listened to a Presidential Address with more interest, and he had heard quite a number.

Mr. A. V. HUSSEY (London) said he felt that the annual general meeting of their Society should not close without hearing what he claimed to be the voice of every young member. He wished the gentlemen on the Council to realise that they fully appreciated the work which had been done. With regard to the Presidential Address, he was afraid it would not do for him to try to discuss it, because as a young member he might express points of view which would be either misconstrued or considered entirely out of place. He merely rose to express on behalf of the younger members of the Society what he was perfectly sure each and every one of them felt, and that was sincere gratitude to the President whom they regarded as their professional guide. (Hear, hear.)

The resolution was then put to the meeting by the President and carried unanimously.

Mr. FREDERIC WALMSLEY, J.P. (Manchester), proposed the re-election of the following retiring London members

of the Council: Mr. Henry Morgan, Mr. George Stanhope Pitt, and Mr. Richard Alfred Witty. He desired to express a word of sympathy with Mr. Pitt, who was suffering from illness and could not be present on that occasion. He was sure it was the wish of all present that Mr. Pitt would soon be restored to health.

Mr. THOMAS KEENS, D.L. (Luton and London) seconded the resolution, which was carried unanimously.

Mr. HENRY MORGAN (London) said it gave him very great pleasure to propose the re-election of the retiring provincial members of the Council. They were six in number, and their names were as follows:—Mr. Frederick Holliday, Leeds; Mr. Thomas Keens, Luton; Mr. Ernest Tritschler Kerr, Birmingham; Mr. Edmund Lund, Carlisle; Mr. Percy Toothill, Sheffield; and Mr. Fred Woolley, J.P., Southampton.

Mr. E. W. C. WHITTAKER (Southampton) seconded this resolution, which was unanimously carried.

The PRESIDENT said that the next resolution was one that fell to his lot, and he was happy that it did so, because it was to propose that Mr. William Norman Bubb, Fellow in Public Practice, London, who had been appointed to fill an occasional vacancy in accordance with Article 48, be elected a member of the Council. Mr. Bubb was appointed by the Council to fill the casual vacancy which arose on the retirement of Mr. Woodington, and he thought they would agree that the Council did a very happy thing. As he had said in his Address, Mr. Woodington served the Council faithfully and well for many years. Mr. Bubb was a partner of Mr. Woodington and had now become senior partner of that firm. He had been an Examiner for the Intermediate examination, and he was now an Examiner for the Final examination. He had been President of the London Students' Society, was an active member of the Committee of the London District Society, and had always one aim and object before him so far as accountancy was concerned, and that was to further the interests of the Society of Incorporated Accountants and Auditors of which he was a member. It gave him (the President) very great pleasure to propose Mr. Bubb's election as a member of the Council, and he would call upon Mr. Holman to second the resolution.

Mr. WALTER HOLMAN (London) said he had very much pleasure in seconding Mr. Norman Bubb's election as a member of the Council.

The resolution was carried unanimously.

Mr. W. NORMAN BUBB (London) said he wished to thank the members very sincerely for the honour they had conferred upon him—not only upon himself, but also in recognition of his former partner, Mr. Woodington. He joined Mr. Woodington as a partner in 1900, so he had been in partnership with him for 33 years. Having been thus closely identified with Mr. Woodington for so long a time he knew full well the work that had to be done. As long as he was a member of the Council he would continue to further the interests of Incorporated Accountants and of the Society of which they were justly proud.

Mr. H. E. COLESWORTHY (London) moved the re-election of the retiring auditors, Mr. Robert Heatley, Incorporated Accountant, Manchester, and Mr. Arthur Henry Hughes, Incorporated Accountant, London, at the same remuneration as in previous years.

Mr. G. GALLIMORE (Leicester) seconded the motion, which was carried unanimously.

Mr. C. HEWETSON NELSON, J.P. (Liverpool), said that although eight of the gentlemen who spoke on the report had paid a tribute to the President, he was sure they would desire to inscribe on the minute book their thanks to him for his efficient and impartial services during the past year in presiding over the Council and over the various Committees, and for the manner in which he had undoubtedly adorned the profession in the public appearances he had made throughout the country.

The vote of thanks was carried with acclamation.

The PRESIDENT, in reply, said he thanked them very much for this vote of confidence, because that was what he took it to be. He had said in his Address that he had enjoyed the work of the Society during the past year, and he was quite sincere in making that statement. He had to confess, however, that a great deal of the onerous work in preparing speeches and getting facts and figures together had been taken off his shoulders by their able Secretary, Mr. Garrett. (Applause.)

The proceedings then terminated.

48th ANNUAL REPORT.

The Council has pleasure in submitting to the members its 48th Annual Report and the Accounts of the Society for the year 1932.

MEMBERSHIP.

During the year 1932 338 new members were admitted to the Society, and 43 Associates were advanced to Fellowship, as follows:—

NEW MEMBERS.

England and Wales	286
Scotland	5
Ireland	4
Isle of Man	2
Channel Islands	1
India	13
South Africa	24
Ceylon	1
South America	1
United States of America	1
Total	338

ASSOCIATES ADVANCED TO FELLOWS.

England and Wales	31
Ireland	1
Australia	1
India	2
South Africa	7
Hong Kong	1
Total	43

The figures for the past three years are:—

	1930.	1931.	1932.
New members elected	291	341	338
Associates elected Fellows	69	49	43

The total number of members on the roll on December 31st, 1932, was 5,910, and consisted of 1,449 Fellows, 4,458 Associates, and 3 Honorary Members; two Fellows held rank as honorary members.

OBITUARY.

The Council regrets that the deaths of 52 members (21 Fellows and 31 Associates) were notified in 1932.

EXAMINATIONS.

The number of candidates at the Preliminary, Intermediate and Final examinations was 1,996, of whom 1,013 passed and 983 failed.

The following are the comparative figures for the past three years :—

Year	Final			Intermediate			Preliminary		
	No. of Candidates	Passed	Failed	No. of Candidates	Passed	Failed	No. of Candidates	Passed	Failed
1930	671	47%	53%	883	52%	48%	342	58%	42%
1931	702	51%	49%	944	52%	48%	376	60%	40%
1932	674	49%	51%	985	51%	49%	337	54%	46%
Total	2,047	1,003 49%	1,044 51%	2,812	1,453 52%	1,359 48%	1,055	597 57%	458 43%

Prizes and Honours Certificates.

Prizes and Honours Certificates were awarded to the following :—

Final Examination.

1st Certificates of Merit—

Madders, Harold, Norwich (May, 1932).
Bramwell, William Dale, Durban (November, 1932) (*Prize*).
Riches, Frank John, Norwich (November, 1932) (*Prize*).

2nd Certificates of Merit—

Dalal, Homi Pestonjee, Bombay (May, 1932).
Cliffe, Noel, Cardiff (November, 1932) (*Prize*).
Surtees, Geoffrey Hutchinson, Bloemfontein (November, 1932) (*Prize*).

3rd Certificates of Merit—

Gould, William Clarence, London (May, 1932).
Denning, Arthur, Exeter (November, 1932).

4th Certificates of Merit—

Spain, Sidney Friend, London (May, 1932).
Drummond, Joseph Marnach, Reading (November, 1932).

5th Certificates of Merit—

Pugh, Francis Stewart Adlington, B.Com., Johannesburg (May, 1932).
Cowtan, Gladys Laura, London (November, 1932).

Intermediate Examination.

1st Place Certificates—

Wilson, Arthur, Leeds (May, 1932) (*Prize*).
*Langton, Arthur Edward, London (November, 1932).

* Disqualified for Prize by age limit.

2nd Place Certificates—

Bailey, Derek Oswald, London (May, 1932) (*Prize*).
Eccles, George, Preston (November, 1932).

3rd Place Certificates—

Cocks, William Harry Greenfield, Maidstone (May, 1932).
Gunton, Herbert Ewart, Colchester (November, 1932).

4th Place Certificates—

Williams, George William Henry, Cardiff (May, 1932).
Lawrie, Angus Alexander, Kampi-ya-Moto (Kenya) (November, 1932).

5th Place Certificates—

Archer, Stanley, Newcastle-upon-Tyne (May, 1932).
Deakin, James, Rochester (November, 1932).

6th Place Certificates—

Woodcock, Percy Edward, Brighton (May, 1932).
Uren, Ernest Charles, Plymouth (November, 1932).

7th Place Certificates—

Field, John Edward, London (November, 1932).
Meeser, Ronald Dudley, Johannesburg (November, 1932).

8th Place Certificate—

Shapland, William Arthur, London (November, 1932).

Preliminary Examination.

1st Place Certificates—

Gilroy, James Henry, Holywood, Co. Down (May, 1932).
Ripley, Stanley George, London (November, 1932).

2nd Place Certificates—

Prince, Edwin Stanley, Derby (May, 1932).
Conn, William Alford, Belfast (November, 1932).

Gold Medals.

Gold Medals have been awarded to Mr. William Dale Bramwell, Durban, and Mr. Frank John Riches, Norwich, who were awarded First Certificates of Merit (bracketed) at the November, 1932, Final examination.

Guildhall Dinner.

By kind permission of the Lord Mayor and Corporation of London, a Dinner was given by the Society in the Guildhall on April 14th, 1932. Mr. Henry Morgan presided over a large company. The guests included the Right Hon. The Lord Mayor (Sir Maurice Jenks), His Excellency the Swedish Minister (Baron Erik Kule Palmstierna, G.C.V.O.), the High Commissioner for the Commonwealth of Australia (Major-General Sir Granville Ryrie, K.C.M.G.), the High Commissioner for Southern Rhodesia (Hon. John Wallace Downie, C.M.G.), the Right Hon. Lord Macmillan and Judges of the High Court of Justice, the Attorney-General (the Right Hon. Sir Thomas Inskip), the Chairman of the London County Council (Mr. Angus N. Scott, D.L.), the President of the London Chamber of Commerce (the Right Hon. Viscount Leverhulme), and representatives of the Imperial Forces, the Civil Service, the Professions, and Finance and Industry.

The Council forwarded a Resolution of Thanks to the Lord Mayor and Corporation for according to the Society the use of the Guildhall.

Fourth International Congress on Accounting, 1933.

The Executive Committee of the Fourth International Congress on Accounting, 1933, consisting of representatives of Accountancy Bodies in Great Britain and Ireland, has issued the programme of the Congress to be held in London from July 17th to 21st, 1933.

Company Accounts and Audit.

The Report on Company Accounts and Audit, prepared by a Special Committee and adopted by the Council (referred to in the last Annual Report), was forwarded to the President of the Board of Trade and copies were sent to all the members of the Society.

Branches and District Societies.

The Council gave consideration to a number of suggestions forwarded by the Branches and District Societies, and discussed such proposals with representatives at a meeting held in London after the Annual General Meeting. The President and Vice-President have visited a number of the centres throughout the country.

British Dominions and Overseas.

The President had the opportunity of receiving in London Mr. Hugh Hylsop, A.S.A.A., Hon. Secretary of the Society's South African (Western) Branch, Cape Town, and Mr. W. R. Fraser, F.S.A.A., Hon. Secretary of the Society's South African (Eastern) Branch, Durban.

Disciplinary Committee.

Meetings of the Disciplinary Committee were held during the year. The Committee considered complaints lodged against certain members, and dealt with them in accordance with the Society's Articles.

Secretary.

In November, 1932, a presentation was made by the Branches and District Societies to Mr. Alexander Adnett Garrett, Secretary of the Society, of his portrait in oils, executed by Mr. John A. A. Berrie, R.C.A. At the

request of the Hall Committee the portrait has been hung in Incorporated Accountants' Hall.

PRESIDENT AND VICE-PRESIDENT.

At a meeting of the Council in May, 1932, Mr. Edward Cassleton Elliott, London, was elected President, and Mr. Richard Wilson Bartlett, Newport, Mon., Vice-President of the Society.

COUNCIL.

The following members of the Council retire under the provisions of Article 49, and, being eligible, offer themselves for re-election :—

London.

Mr. Henry Morgan.
Mr. George Stanhope Pitt.
Mr. Richard Alfred Witty.

Provinces.

Mr. Frederick Holliday, Leeds.
Mr. Thomas Keens, D.L., Luton.
Mr. Ernest Tritschler Kerr, Birmingham.
Mr. Edmund Lund, M.B.E., Carlisle.
Mr. Percy Toothill, Sheffield.
Mr. Fred Woolley, J.P., Southampton.

Mr. Arthur Edwin Woodington tendered his resignation from the Council owing to ill-health. The Council accepted the resignation with regret, and adopted a resolution recording the thanks of the Society to Mr. Woodington for his services as a member of the Council since 1899, as President from 1916 to 1919, and as an Examiner from 1899 to 1918. The Council has filled the occasional vacancy thus created by the appointment of Mr. William Norman Bubb, Fellow, London, and Mr. Bubb now submits himself for election by the members.

AUDITORS.

The retiring Auditors, Mr. Arthur Henry Hughes, London, and Mr. Robert Heatley, Manchester, offer themselves for re-election under Article 85.

ACCOUNTS.

The Accounts of the Society for 1932 are annexed to this report.

E. CASSLETON ELLIOTT,
President.

R. WILSON BARTLETT,
Vice-President.

ALEXANDER A. GARRETT,
Secretary.

Incorporated Accountants' Hall,
Victoria Embankment,
London, W.C.2.

March 28th, 1933.

Dr. REVENUE ACCOUNT FOR THE YEAR ENDED DECEMBER 31ST, 1932. Cr.

EXPENDITURE.

	£ s. d.	£ s. d.
To Salaries		5,624 14 5
„ Rates	704 6 0	
„ Insurances	129 9 2	
„ Housekeeper, Lighting, Telephone, &c.	836 10 9	
		1,670 5 11
„ Travelling Expenses	907 4 5	
„ Stationery and Printing, including Year Book	2,160 3 0	
„ Postages and Telegrams	370 1 9	
„ Legal and Parliamentary Expenses	132 14 11	
„ Advertisements	728 12 10	
„ Subscriptions and Contributions to Chambers of Commerce	62 9 6	
„ Auditors' Fees and Expenses	70 0 0	
„ Miscellaneous Expenses	661 13 9	
„ Decorations and Repairs	243 1 3	
		5,336 1 5
„ Expenses of Examinations and Prizes		3,902 10 3
„ Grants to Branches and District Societies		3,835 10 9
„ Additions to Library		201 9 8
„ Depreciation of Furniture, &c.		208 0 4
„ Guildhall Dinner		492 16 11
„ Debenture Interest (Gross)		3,500 0 0
„ Reserve for Redemption of Debentures :— Annual Instalment and Interest		1,422 13 5
„ Balance, being surplus of Income over Expenditure for the year		3,183 5 5
		£29,377 8 6

INCOME.

	£ s. d.	£ s. d.
By Subscriptions		16,779 15 9
„ Entrance Fees— 44 Fellows	231 0 0	
338 Associates	3,549 0 0	
		3,780 0 0
„ Examination Fees		6,305 15 6
„ Dividends on Investments and Bank Interest (Gross)		866 13 11
„ Sundry Fees		531 7 4
„ Hire of Rooms		413 16 0
„ Contribution from London and District Society for Secretarial and Office Expenses		500 0 0
„ Contribution from *Incorporated Accountants' Journal* towards Office Expenses		200 0 0
		£29,377 8 6

Dr. BALANCE SHEET, AS AT DECEMBER 31ST, 1932. Cr.

LIABILITIES.	£	s.	d.	£	s.	d.
Mortgage Debentures				70,000	0	0
Sundry Creditors				6,447	16	6
Subscriptions for 1933 (paid in advance)				143	6	6
Journal Subscriptions—Proportion paid in advance				828	3	1
Examination Fees (paid in advance)				245	3	6
Reserve for Debenture Redemption—						
Balance from 1931	4,341	15	10			
Annual Instalment	1,250	0	0			
Interest	172	13	5			
Contribution by South African (Western) Committee	100	0	0			
				5,864	9	3
Accumulated Fund—						
Balance at December 31st, 1931	40,913	14	9			
Add Balance on Journal Account at December 31st, 1931	913	12	8			
	41,827	7	5			
Surplus for 1932—						
General Account	3,183	5	5			
Journal Account	142	6	0			
				45,152	18	10
				£128,681	17	8

E. CASSLETON ELLIOTT, *President.*
C. HEWETSON NELSON,
Chairman of Finance Committee.
March 28th, 1933.

ASSETS.	£	s.	d.	£	s.	d.
Freehold Property—Incorporated Accountants' Hall, at Cost				100,954	17	1
Furniture and Fittings at Cost, less amounts written off				4,208	8	2
Library at Cost, less amounts written off				300	0	0
Investments at Cost—						
£6,000 0s. 0d. 4½% Conversion Stock 1940-44	5,461	13	3			
£6,500 0s. 0d. 4% Funding Stock 1960-90	5,878	7	6			
£3,000 0s. 0d. 3½% Conversion Stock	2,976	5	8			
£2,000 0s. 0d. 4½% Borough of Harrogate Loan	2,000	0	0			
£2,000 0s. 0d. 4½% Borough of Worthing Loan	2,000	0	0			
(Market Value of Investments, December 31st, 1932, £20,592 10s. 0d.)				18,316	6	5
Gifts—						
£400 0s. 0d. 5% Society of Incorporated Accountants and Auditors Debentures				400	0	0
Sundry Debtors and Dividends accrued				873	15	6
Cash at Bank and in Hand (Including £513 7s. 5d. on Deposit)				3,628	10	6
				£128,681	17	8

AUDITORS' REPORT TO THE MEMBERS.

We report to the members that we have examined the foregoing Accounts, together with the books of the Society and the vouchers relating thereto, and have verified the Investments and Cash Balances. We have obtained all the information and explanations we have required, and, in our opinion, the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Society's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Society.

ROBERT HEATLEY, ARTHUR H. HUGHES, } *Incorporated Accountants. Auditors.*

LONDON, *April 5th*, 1933.

REPORT BY THE PUBLIC TRUSTEE.

The following are extracts from the 25th Report of the Public Trustee for the twelve months ended March 31st last :—

The financial result of the year shows the surprisingly large surplus of £24,721. This surplus is to a great extent fortuitous, being due in the main to the exceptional activity in investments consequent upon the conversion of the War Loan. The constant and rapid fluctuations in capital values and in income-yields render it quite impossible to make any accurate forecast of revenue derived almost entirely from *ad valorem* fees.

The number of new cases accepted during the year under review was 1,071 and their value (including accretions to old trusts) was £13,231,319. The number was greater, but the value was £943,593 less, than the number and value respectively for the preceding year. About 60 per cent. of the new cases were under £5,000 in value.

The total number of cases accepted since the Office was instituted is 30,188, of which 11,807 have been completely distributed, leaving 18,381 under administration. The nominal capital value of the funds now in hand is approximately £213,000,000, in addition to landed property which may be valued roughly at £50,000,000.

The administration of trusts appears to grow increasingly difficult and anxious every year.

The year under review has been entirely free from any claim for loss owing to breach of trust or negligence or mistake.

The Long Vacation Shortened.

An order has been issued under the Supreme Court of Judicature (Consolidation) Act of 1925 by which the Law Courts will reopen on October 2. This means that the Long Vacation is shortened. In the ordinary way the opening day of the Michaelmas Term would have been on October 12.

The Effects of Taxation upon Industry.

A LECTURE delivered to the Incorporated Accountants' Society of Manchester and District by

Mr. GODFREY CRAVEN, F.S.A.A.

Mr. CRAVEN said: The subject of the Effects of Taxation upon Industry is a very wide one, and it is difficult to know from which angle best to approach it. At the present time one could no doubt sum up the effects in one word, disastrous, but that has not always been so, and one hopes will not be so in the future. It is only just that the fruits of industry should bear their fair share in the support of the State, and when those fruits are being reaped in such a proportion as is commensurate with the efforts expended, taxation is cheerfully borne. I say cheerfully, because it generally happens that the burden of taxation varies in inverse ratio with the amount of profits on which it is assessed. In exceptional circumstances this can be counteracted to a large extent, as in the War period when Excess Profits Duty and Corporation Profits Tax were introduced. These, of course, were to meet highly abnormal conditions and unusually heavy national expenditure, but, as was the case before the War, when industry is prosperous taxation is low. The introduction of many new social reforms during the last twenty years will prevent any return to pre-war standards of taxation, however prosperous industry may become in the future. We may reasonably expect, however, that prosperity will reduce the individual strain.

The whole problem for to-day's consideration is the finding of some formula which will enable us to bridge the indefinite period of revival and to remove one of the biggest stumbling blocks in our path towards industrial prosperity. Before we can put forward any solutions it will perhaps be advisable to survey the position from all aspects, to consider our difficulties as they are at the moment, and to review the few efforts which have already been made to ease the situation, and how far those efforts have been successful.

DIRECT TAXATION.

First we will take everything under the heading of direct taxation. There is no need to dwell upon the item of Income Tax. To-day it is 5s. in the £, and the worst item of all. One unfortunate feature is the large number of expenses properly chargeable against the profit and loss account which are not allowable for taxation purposes, with the result that a company often pays quite a large amount of Income Tax when it has no funds available for dividend out of the profits assessable, and sometimes even nothing to carry forward to its profit and loss account balance on the balance sheet.

Secondly, we have local taxation, *i.e.*, District Rates, Poor Rate, or whatever name is locally given to the levy for municipal administration. This is now heavier than ever before, and the reasons are several. Many of the social services already referred to have by legislation been handed over to county and municipal councils for administration, and have thus become a charge on the rates. Another reason is that a great amount of property, particularly business premises, is vacant, and there is no revenue from the assessments upon it.

Local taxation is entirely disproportionate to every justifiable basis of assessment, its incidence has always been, in the majority of cases, unreasonable, and is still, despite several attempts towards readjustment. Without drawing any finer parallels and going into intricacies of rateable values, the point is illustrated by the obvious inequity of, say, a medical specialist occupying city chambers at a moderate rental and contributing a few meagre pounds towards poor relief, education, police, highways, and a hundred other amenities out of an annual income of many thousands, while the factory a mile or so away, providing work for many hands, and making no profits whatever, perhaps even losing shareholders' money, is compelled to make a heavy contribution towards the same services from which it, as a purely legal entity, a company, derives practically no benefits at all, and whose employees all make their own individual contributions.

There is still another form of direct taxation, but one which is less pernicious than the others, and one which as a rule only affects prosperous concerns. That is sur-tax on undistributed profits of private companies, and because it is designed to catch only those who seek to evade their just and proper share of taxation I think we may leave it out of the reckoning.

We now come to :—

INDIRECT TAXATION.

The forms under this heading are many and varied. There is the taxation of raw materials by Revenue tariffs and Customs and Excise dues. I propose to deal in the next section with all matters concerning import duties, but I will include here Excise dues. They include items such as duties on spirits used in the manufacture of paints, varnishes, stains, dyes and similar products, and the effects are carried to all trades which buy and use them commercially: cabinet makers, coachbuilders, painters and decorators, builders, dyers, cleaners, and a host of others. There are also the spirits used in the manufacture of all kinds of chemical products for commercial and household use. There is a patent medicine duty which is levied upon all kinds of preparations not only of a medicinal nature but for general and household use.

There are innumerable dues on grants of licences for retailing various commodities, but these are not of much importance, and do not much affect industry in its major aspects.

Probably the most important of all is the tax on spirit fuel. The petrol tax affects practically every trade and industry in the country, for there are few to-day who do not use motor transport. Many it affects as regards production costs where it forms a raw material, but all use petrol as fuel, and their distribution costs are affected accordingly. Allied to this there is also the motor horse-power tax, which adds to industry's costs of transport. One industry has suffered in another way, and that is the motor trade itself. This preposterous tax, apparently imposed nowhere else in the whole world, has restricted the design of motor vehicles with a view to providing the maximum of efficiency for the minimum of power, and thus almost cutting out entirely any possibility of export to countries where the same conditions do not apply. Further, in keeping up the cost of running it has had an ill effect upon the home market by restricting very largely the use of motor vehicles to the wealthier of private users and to the more prosperous of commercial undertakings.

Import Duties.—We have now to consider what may be taken generally as Import Duties. Firstly there is the now important example of a tax on imported raw materials. The Chancellor, with laudable anxiety, has tried to avoid in his recent legislation the taxing of raw material, but it is not quite so simple as just the exclusion of raw cotton, of undressed wool, of pig iron, and of many other obvious raw materials known to every layman.

There are many complications, inasmuch as one-half or more of the industries of any modern state have for their raw materials commodities which are the manufactured products of other trades.

In taxing all imported manufactured goods and exempting all raw materials, who is to say where the line shall be drawn between the two? This is a strong argument in support of the theory and practice of free trade, and it will be the duty of the new tariff commission to investigate the claims of all industries which suffer in this manner, and to endeavour as far as possible to eliminate the inequities of the system by an adjustment of the rate of duty or by granting further exceptions to it. Their task is not an enviable one.

There is a possible advantage to be gained by the taxation of imported manufactured goods, in that it protects our own industries and keeps out foreign competition. In so far as the competition is unfair by reason of low manufacturing costs, particularly labour, due to a lower standard of living than our own, there is a definite advantage, but where a trade is given protection by taxation of foreign competition it is given also an excellent opportunity to raise its prices and to lose its efficiency. To enable it, in effect, to assume all the abominable and demoralising characteristics of a monopoly. Whatever advantages may accrue to that industry they will probably be of a temporary nature only, and they will in any case, by contrast, be disadvantageous to many other industries not enjoying the same benefit.

Another point of view from which we must regard tariffs is that, not of the importer, but of the exporter. This country used to be, and must be again, a very big exporter of manufactured merchandise.

How have we felt about the tariffs of our own customers in the world markets. Even our own Dominions have raised high tariff walls against us.

Now that we are treating everyone else as we have been treated ourselves we are in a position to bargain, and whatever advantages or disadvantages there may be to ourselves in the imposition of a tariff on our own imports, it gives us something to bargain with. It gives us a lever to lower the barriers against our own foreign trade. This is the biggest argument in favour of tariffs.

If the exponents of the rival systems of Free Trade and Tariff Reform in the legislative assemblies were not so bitter that they have no use for argument, but can only revile each other, this is an aspect of which much more would have been heard.

I have referred several times to these alternative fiscal systems and have put forward evidence in support of both. Like most controversies, there is a great deal to be said on both sides, and despite the fact that my own political colour is as definite as is the whiteness of the paper from which I am reading I do endeavour to see all sides of the question, and greatly deplore the fact that with so many it has ceased to be a case of the selection of one or two alternatives and has become a belief in a creed, a fetish, with an attendant bigotry beside which that inspired by any religious dogma ever propounded positively pales and shrinks into insignificance.

What my political colour is I do not propose to state. If you deduce it from my remarks, well and good. I am not here to speak for any party, nor to support any fiscal policy. I am here to give you a survey of facts from several aspects, and to invite your consideration of those facts, and especially of those viewpoints which are not your own.

As a body, accountants are non-political and non-party. As individuals who will say that any one of us does not record his vote in support of some policy which holds his sympathies.

I do not want this to develop into a political meeting when I sit down, but I hope the Chairman will agree with me when I suggest that any views on taxation of all kinds and any criticism of the fiscal systems of all parties will be important factors in a discussion of the substance of this paper, and in our effort to arrive at any conclusions as to possibilities of finding any solution to the difficulty of stimulating industry when it has this weight of taxation continually bearing it down.

Let us now examine the various aspects of taxation, beginning with

THE ECONOMIC ASPECT.

First of all we should consider Adam Smith's four canons of taxation which have been the principal maxims observed in the modern state, although they have caused a great deal of controversy at one time and another. They are as follows:—

(1) The subjects of every State ought to contribute towards the support of the Government as nearly as possible in proportion to their respective abilities—that is, in proportion to the revenue which they respectively enjoy under the protection of the State.

(2) The tax which each individual is bound to pay ought to be certain, and not arbitrary. The form of payment, the manner of payment, the quantity to be paid ought all to be clear and plain to the contributor and to every other person.

(3) Every tax ought to be levied at the time or in the manner in which it is most likely to be convenient for the contributor to pay it.

(4) Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the State.

Perhaps the most important from the standpoint of industry are 1 and 4.

The modern tendency in taxation has caused No. 1 to go by the board almost entirely, for although Income Tax is levied only on actual earnings, what of local taxation, which now finances a great part of the State's undertakings?

With regard to No. 4. We are now suffering from the failure to observe this maxim from 1914 to 1918. When the tax levied was not only taken out of the people's pockets and kept out, but was blown up in smoke in an international cataclysm called war, which civilisation has done little to avert and a lot to make more horrible and disastrous. Since that time the tax levied has gone to meet repayment of debts and loan interest, much of which goes abroad, and has not been returned to the money channels which flow from one individual to another.

What will be the economic effects of the taxation of imports? The MacMillan Committee suggested in their report that some compensation should be derived from the possible increase in the cost of living and the rise in the price of raw material. To do this they advocate a system of bonuses on export, presumably to be derived from the proceeds of import duties.

Whatever course is adopted, the ultimate effect should be to return the money to industry, and from the economic standpoint there is much to be said in favour of the MacMillan Committee's suggestion.

A reduction in Income Tax would actually have indirectly much the same effect, and would please a vast proportion of the electorate, but it would probably not be an ideal method.

Much of our present taxation goes in unemployment relief, but to my mind it is the wrong kind of relief. It is merely a case of supporting the non-worker at the expense of the worker. Why the former is a non-worker is a wider question, but if he draws money there is no reason why he should not work for someone in return. If he is paid by the State, he should work for the State, and though his labour may be unproductive in an international sense, it need not be unproductive domestically. Road building, bridge building, and similar occupations were once suggested as a means of turning the enormous drain upon the Exchequer to increasing our national wealth, and the plan was sound economically.

Let us turn now to the fiscal aspect of taxation. I don't propose to introduce statistics into this paper. You know quite well that the expenditure of the Government in all its departments is a vast sum annually, and you know that it is considerably more than before the war. The increase is made up largely of two classes of payment, the interest and sinking fund payments in connection with loans, mainly raised for war purposes and the financing of social services, many of which, while a credit to a State from the moral standpoint, are luxuries which can only be enjoyed in safety by prosperous countries.

As I have already mentioned, the Legislature has an unfortunate habit of providing social services not at its own expense. The Administration in power takes full credit for having introduced them, and also prides itself on keeping its expenditure down and its Budget balanced.

The next time the municipalities consider their budgets and settle the local rates we find an increase. Much criticism follows, much dissatisfaction, but who is really to blame? The answer is Westminster.

But even such expenditure as the Government has definitely taken upon itself in succeeding generations increases year by year, and unless trade increases proportionately the burden of taxation must.

We may say why does it come on to the Income Tax, why is it another twopence on petrol, why is it a little more on beer, and so on? The answer is this.

Every one of those forms of taxation is established, every one of them has its own machinery. It is simple to increase the rate of duty, and the extra yield is quickly estimated.

Picture to yourself a harassed Chancellor, knowing that whatever he does he will be opposed. He has a deficiency on the year of twenty millions. Where is it to come from? Would any one of you face with equanimity the imposition of a new tax on something that had never been touched before, something the taxing of which, whatever it may be, would arouse a storm of protest from all quarters, and might even split your party? Then would you care to estimate the yield, the cost of collection, to devise the machinery, however broadly? No! of course not! You would take the easy line of increasing a duty here, another there, borrowing a bit from somewhere else, and any device imaginable to escape the issue. However, the fact remains that national expenditure must be provided for, and as far as I can see every source has been well tapped, and industry is so crushed that it can stand no more.

We have seen recently one or two attempts at something new. There was the tax on land values, a scandalous proposition, and one which died a natural death simply because of its own inherent difficulties. It was even estimated that the cost of setting up the machinery and the expense of collection would have exceeded the actual yield for the first year on the rate at which it was to be levied. But a wily Chancellor was laying plans for the future. Once it had become established it would never have gone; the rate of duty would have been increased whenever all else failed, and who would take the responsibility of closing the department and finding fresh occupations for unwanted civil servants?

How does industry regard all this? Excessive taxation increases, first of all, the costs of production. We are already suffering from heavy costs of production caused largely by the scales of direct wages based upon a higher standard of living than is enjoyed by the majority of our competitors in world markets.

It is obvious therefore that further burdens of taxation falling upon industry will reduce our exports still more.

It is curious that so far all efforts towards alleviation have resulted mainly in replacing one burden by another. Take, for example, Winston Churchill's *magnum opus*, the de-rating scheme. It is true that rates were reduced for manufacturing businesses, but at what cost? A tax on petrol and white spirit. There are cases within my own experience where the saving in rates has been more than counteracted by the extra cost of transport both of goods and for travelling. Further, there are some trades where white spirit is a raw material, and although some of the tax has been passed on in the price of a commodity manufactured, some part of it has been a loss to the manufacturer.

There has been no reduction in National Expenditure to compensate for the reduction in one particular source of revenue, therefore the burden has either been shifted or merely given another name. In either case, where is the advantage? Has it reduced taxation? Has it reduced the cost of living? Has it materially reduced the cost of production? Has it done anything, in fact, beyond providing a lot of work for already overworked civil departments?

It remains to be seen what will be the effect of import tariffs, and whether the revenue derived therefrom will be used for any sort of relief from the overpowering weight of taxation.

England has been a Free Trade country for 75 years, and has known its greatest prosperity under that system. There is no doubt that the system is the most stimulating for industry, because it encourages keener competition, but there are at the moment several reasons why it acts unfairly. The trade union control of hours and wages is a feature which hampers any scheme of reconstruction, and there is no argument to the statement that a Free Trade country must have free labour.

There are some unfortunate results of the wave of prosperity during the end of the nineteenth and the beginning of the twentieth centuries which are factors in the cause of the position to-day. One is the amount of social reform which is undertaken by every modern state at a time when it can afford it, but which it cannot drop when the period of prosperity comes to an end, and which keep up the high level of taxation.

Another feature, though not one that has any direct bearing upon taxation, is a strong inclination to regard a customer as a fool if he prefers someone else's goods to our own, however much more attractive the other man's product may be. If there is another customer waiting round the corner to take the rejected goods it doesn't matter much for the moment, but it will matter some day. This has been a strong characteristic in Lancashire, and now is the day when we are finding how much it matters.

In the course of these remarks I may have omitted facts which ought to have been mentioned, I may have mentioned many which you know already, and I may have

expressed opinions with which you differ most profoundly. If that is the case, well, it is all to the good. The purpose of an address of this character is, as I understand it, to form a basis for discussion and exchange of ideas, and I think there is no feeling more unpleasant than the flatness which follows a long recital or irrefutable facts, plentifully interspersed with statistical extracts, which, if not presented in writing, go in at one ear and out at the other, leaving the hearers mentally exhausted.

I have endeavoured to review the various forms of taxation which are in operation at the moment, to look upon them from various points of view, and to summarise industry's reactions to them.

It now remains to draw some conclusion from what I have said, but I think before we do that, that it will be interesting to hear some other opinions from the meeting, and to have the gaps in my own statements filled in.

Whether we shall arrive at a workable formula to be sent with our compliments to the Chancellor, or whether we shall go home, merely saying to each other " how much better it would be if so-and-so did this or that " is for you to decide.

Personally I don't see much hope of any benefit in either course.

CONFERENCE OF BRANCHES AND DISTRICT SOCIETIES WITH THE COUNCIL.

On May 19th, Mr. E. Cassleton Elliott, President of the Society of Incorporated Accountants and Auditors, presided at the Annual Conference of Representatives of Branches and District Societies with Members of the Council. The following members were present :—Mr. E. Cassleton Elliott (President), Mr. R. Wilson Bartlett (Vice-President), Mr. H. J. Burgess, Mr. D. E. Campbell, Mr. W. Allison Davies, Mr. Frederick Holliday, Mr. Walter Holman, Mr. Thomas Keens, Mr. Edmund Lund, Mr. James Paterson, Mr. W. Paynter, Mr. A. E. Piggott, Mr. Percy Toothill, Mr. A. H. Walkey, Mr. Frederic Walmsley, Mr. R. T. Warwick, Mr. Richard A. Witty, Mr. W. H. Ashmole (Swansea and S.W. Wales), Mr. C. Percy Barrowcliff (Newcastle and District), Mr. Donald H. Bates (North Staffordshire), Mr. D. Tilfourd Boyd (Belfast and District), Mr. J. Paterson Brodie (North Staffordshire), Mr. Godfrey Craven (Manchester and District), Mr. A. H. Crumpton (Hull and District), Mr. Charles M. Dolby (Liverpool and District), Mr. T. W. Dresser (Yorkshire), Mr. R. Simpson Duthie (Cumberland and Westmorland), Mr. James C. Fay (London Students' Society), Mr. Herbert P. Gowen (East Anglia), Mr. Alexander Hannah (Liverpool and District), Mr. Donald V. Hayden (East Anglia), Mr. H. M. B. Ker (West of England), Mr. W. T. Manning (Leicester and District), Mr. Harry D. Myers (Bradford and District), Mr. W. Bertram Nelson (Liverpool and District), Mr. Halvor Piggott (Manchester and District), Mr. G. Roby Pridie (London Students' Society), Mr. Fred A. Prior (Nottingham, Derby and Lincoln), Mr. Tom Revell (Yorkshire), Mr. Thomas M. Rhodes (Bradford), Mr. J. W. Richardson (Sheffield and District), Mr. G. A. Ridgway (Hull and District), Mr. A. W. Sleeman (Swansea and S.W. Wales), Mr. Percy G. Stembridge (Birmingham and Midland), Mr. J. Telfer (Newcastle and District), Mr. R. C. L. Thomas (South Wales and Monmouthshire), Mr. E. J. Waldron (South of England), Mr. Percy H. Walker (South Wales and Monmouthshire), Mr. S. I. Wallis (Nottingham, Derby and Lincoln), Mr. F. A. Webber (West of England), Mr. E. J. Williams (Cumberland and Westmorland), Mr. J. R. W. Alexander, and Mr. A. A. Garrett (Secretary).

COMPULSORY PURCHASE OF A COMPANY'S SHARES.

An Indian correspondent has written us as follows :—

I am sending you herewith a copy of a most novel Article which is sought to be introduced in the Articles of Association of a public banking company here. No doubt the activities of certain disgruntled and dissatisfied shareholders, who have been in season and out of season attacking the credit of the bank by disgraceful scenes at the company's annual meetings and unsuccessful prosecutions in the Court of Law, are mainly responsible for this unprecedented move on the part of the management. The introduction of such a power in the Articles of Association of a company affects one of the most fundamental principles of company law inasmuch as it seeks to expropriate the property right that has been conferred upon the shareholders by the Memorandum of Association of a public limited liability company. Since this Article raises some subtle and fine points of law, may I invite your editorial comments, both on the advisability and the legality of inserting such an Article in the Articles of Association of a public company.

The following is the enclosure referred to :—

THE ——BANK ——, LIMITED.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of THE —— BANK ——, Ltd., will be held at the Registered Office of the Bank at ——, Bombay, on ——, 1933, at ——, when the subjoined Resolution will be proposed.

RESOLUTION.

That the Articles of Association of the Company be altered by the insertion therein immediately after Article 37 of the following Article, namely :—

37. " (1) The Company may by a Resolution passed by a majority of not less than three-fourths of such members entitled to vote as are present in person or by proxy at a general meeting of which notice specifying the intention to propose the Resolution has been duly given, determine that it is necessary for the safety of the Company or for the protection of the interests of the Company that a member hereinafter called " the outgoing member " be required to sell and transfer his shares.

" (2) On the passing of such Resolution the following provisions shall take effect :—

(*a*) The Board shall within seven days of the passing of the Resolution require the outgoing member by notice in writing to sell and transfer his shares to a person named in that behalf in the said notice in consideration of the payment of a sum equal to the capital paid up on such shares or a sum equal to the highest quoted price as hereinafter defined for the said shares, whichever of the two be the higher, and the sale shall be carried into effect at the Registered Office of the Company on a date appointed in that behalf by the notice not being later than a week from the date of the notice.

(*b*) The outgoing member shall hand to the Company at the Registered Office of

the Company on the date so appointed in the notice against payment of such consideration as aforesaid the share certificate or certificates in respect of the shares to be transferred by him and proper instrument of transfer of such shares duly signed by him.

(c) If the outgoing member makes default in receiving such consideration or handing to the Company such share certificates and instrument of transfer as aforesaid, the Company may receive consideration on his behalf and the Board may authorise some Director of the Company to transfer the shares on behalf of the outgoing member to such person, and such transfer thereupon shall be effectual, and after such transfer the Directors may on the application of the transferee issue duplicate share certificates in respect of the share or shares so transferred.

"(3) After the name of the transferee has been duly entered in the register of Shareholders of the Company as the Transferee of such shares the validity of his title to the shares so transferred shall not be liable to be questioned.

"(4) For the purpose of this Article the highest quoted price shall mean the highest price quoted for the shares of the Company on the Native Shares and Stock Brokers' Association Exchange in Bombay on the day on which the said Resolution is passed, or if there be no quotation for the shares of the Company on that date, then the highest price quoted for the shares of the Company on the said Exchange on the last date preceding the date of the said Resolution on which the shares of the Company were quoted, provided that there is a quotation for the shares of this Company on the said Stock Exchange within 60 days immediately preceding the date of the said Resolution.

"(5) For the purpose of this Article, a certificate signed by the proper officer of the said Exchange certifying the highest price quoted for the shares of the Company on the Exchange on the date of the said Resolution or certifying that there was no quotation for the shares of the Company on the date of the said Resolution, and certifying further the last date preceding the date of the Resolution on which the shares of the Company were quoted on the Exchange and the highest rate quoted on such date, or that there was no quotation for the said shares within 60 days immediately preceding the said Resolution, shall be conclusive.

"(6) The Resolution mentioned in para. (1) when duly passed by the said requisite majority shall be conclusive as to its being necessary for the safety of the Company or for the protection of the interests of the Company."

Should the above mentioned Resolution be passed by the requisite majority it will be submitted for confirmation as a Special Resolution to a further Extraordinary General Meeting of The —— Bank, Ltd., and such meeting will be held on ——, 1933, at the same time and place for the purpose of considering and, if thought fit, for confirming such Resolution as a Special Resolution accordingly.

Our Legal Editor makes the following observations on the matter:—

The principles governing alteration of Articles in operation in England in regard to Companies governed by the Companies Act, 1929, equally apply to Companies in India governed by the Indian Companies Act, 1913: See *Company Law*, by Kaikhosru Rustomi (1926) and the *Indian Companies Act*, 1913, by P. L. Buckland (1922).

The governing principle is contained in *Dafen Tinplate Company* v. *Llanelly Steel Company* (1920, 2 Ch., 124), which laid down that an alteration in the Articles conferring an unrestricted power on the majority to expropriate any shareholder they might think proper, at their own will and pleasure, is too wide, and cannot be genuinely for the benefit of the Company as a whole.

The whole question of invalid alteration of Articles is dealt with fully in *Crew's Company Law* (Butterworth & Co.), 1930, page 17, and *The Conduct of and Procedure at Company Meetings* (Jordan & Sons), 1932, pages 117 *et seq.*

Correspondence.

CONSULTATIVE COMMITTEES.

To the Editors *Incorporated Accountants' Journal.*

SIRS,—In the April issue of the *Incorporated Accountants' Journal* an article was published under the heading of "An Interesting Development," which gave details of a scheme by the Liverpool Society whereby panels of experts could be consulted by the members on special problems arising in practice.

It is, as yet, too early to say whether such a scheme will meet with success, but it does, nevertheless, represent a very definite step forward in the interests of accountancy, an attempt to break away from the canons which impel accountants to jealously guard specialised knowledge as personal capital; an effort to dispel the inferiority complex which deprecates the displaying of ignorance before fellow practitioners.

There are two points which occur to me as likely to interfere with the working arrangements, viz, (1) no fees are payable, and (2) the panels consist of persons in practice in the same locality.

Would not some central panel of entirely disinterested consultants be more likely to be successful, and of more general value to the profession?

I should like to make the tentative suggestion that the *Incorporated Accountants' Journal* increase its present valuable service to members by publishing some form of weekly Supplement in which problems could be discussed under a pseudonym, and advice given by any person who has encountered similar difficulties. Payment would be made to those whose advice was published.

I am, of course, aware that this system is already used by other accountancy journals, but the amount of literature which can be purchased and reasonably digested by busy practitioners is limited, and members of the Society would, I feel sure, prefer to accept this service from a journal of particular interest to themselves. The advice would, of necessity, be supervised by competent experts on the editorial staff.

It is hoped that this scheme of the Liverpool Society will meet with the success which it deserves, and that the

time is not far distant when panels will be set up in other parts of the country.

Yours faithfully,
H. KEATE,
Incorporated Accountant.

Sheffield.
May, 1933.

THE MUNICIPAL CORPORATIONS AUDIT BILL.

To the Editors *Incorporated Accountants' Journal.*

SIRS,—This Bill occupied the attention of the House of Commons on Friday last, and, after a debate thereon lasting about three hours, it was given the third reading.

As one who sat through the whole of the debate, I feel bound to say that I never listened to such irresponsible and incorrect statements as were made against the older societies mentioned in the Schedule to the Bill, namely, the four Chartered bodies and the Society of Incorporated Accountants and Auditors.

The impression which an outsider must have got from listening to some of the speeches was that the Chartered Societies and the Society of Incorporated Accountants and Auditors referred to in such speeches were considerably inferior in status to the Societies of recent growth, and that the entrance to the former was much easier by virtue of the greater difficulty of admission to the latter.

Unfortunately, Mr. Adam Maitland, M.P., and I were unable to speak in the debate owing to our names not being down on the "order paper" in connection with amendments, although we both made repeated attempts to "catch the Speaker's eye."

Mr. C. U. Peat, M.P., was, fortunately, in the House during the debate and was able to rebut many of the wild and irresponsible statements that were made, and the promoter of the Bill (Mr. M. Petherick, M.P.) rendered an inestimable service to the older bodies by submitting the true facts concerning them.

My object in writing this letter is to emphasise the importance of the accountancy profession putting its own house in order by some system of legislation for the protection of the profession generally, otherwise outside forces may step in and bring this about.

New societies of accountants seem to be ever springing up, making it more and more difficult as time goes on to solve the problem of legislation for the profession.

Cannot the Chartered Institutes and Societies and the Society of Incorporated Accountants and Auditors use their united and powerful influence to do something in the near future in the direction suggested by me?

Yours faithfully,
JOHN POTTER,
M.P., F.S.A.A.

Blackpool.
May, 1933.

International Congress on Accounting.

Members of the Society are reminded that applications for tickets for the Congress should be sent in without delay and, in any case, not later than June 15th.

We are authorised to state that H.R.H. Prince George will honour the Banquet of the Congress on July 19th by his attendance.

A General Assembly of the Order of St. John of Jerusalem Priory for Wales was held in the City Hall, Cardiff, on Tuesday, May 16th. The Prior (H.R.H. the Prince of Wales, K.G.) attended and was conducted to the City Hall by a Chapter procession, in which Mr. R. Wilson Bartlett (Vice-President of the Society of Incorporated Accountants and Auditors) took part as the Assistant Director of Ceremonies.

MUNICIPAL CORPORATIONS AUDIT BILL.

Debate in Parliament.

On consideration of this Bill as amended in Standing Committee the following amongst other amendments came up for consideration :—

After the word "appointed" at the end of Clause 1 (2) (*a*) to insert the words, "Provided nevertheless that where a person, being a member of a registered society of accountants, is, at the date of the passing of this Act, holding the office of elective auditor, he shall be deemed to be qualified for appointment if the council of the borough thinks fit." (Sir J. Ganzoni.).

In place of the bodies named in the Schedule to insert "being a member of an incorporated body of accountants, is at the date of appointment publicly and efficiently carrying on the business of an accountant." (Mr. Hartland.)

"A body of accountants established by charter or under the provisions of an Act of Parliament." (Mr. Lyons.)

To add to the bodies named in the Schedule "The Institution of Certified Public Accountants." (Alternative amendment by Sir J. Ganzoni.)

The bodies of Accountants named in the Schedule were:—

The Institute of Chartered Accountants in England and Wales;

The Society of Incorporated Accountants and Auditors;

The Society of Accountants in Edinburgh;

The Institute of Accountants and Actuaries in Glasgow;

The Society of Accountants in Aberdeen;

The London Association of Accountants, Limited;

The Corporation of Accountants, Limited.

The following are extracts from the more important speeches :—

In moving his amendment Sir J. Ganzoni said: The amendment I am moving is designed to save the occupation and the livelihood of a certain number of professional men throughout the country who are properly qualified by examination, and who have been carrying out their job for some years past to the complete satisfaction of their employers, who elect them in the first instance and re-elect them. As I am the first to have the privilege of saying anything on the Bill in this House, apart from the Committee upstairs, perhaps I may be permitted, in a sentence or two, to say what the Bill does. It is a permissive Bill in that borough councils may adopt it or refrain from doing so, but it is not permissive in its effect, because if they do adopt it, it lays down two alternative ways in which they shall—not "may"—in future fill the post of borough auditor. The first subsection, with which I am not concerned in my amendment, says that borough councils in future, if this Bill becomes an Act, instead of having their accounts and the accounts of their officers audited by borough auditors, in accordance with the Municipal Corporations Act, 1882, which means what we call an elective auditor, shall have them audited by a district auditor, who is appointed officially, and is not their own official, or solely their own official. Subsect. (2), to which I am moving an amendment, gives the alternative way. It says :—

"The accounts of the corporation and the accounts of the borough treasurer and other officers of the corporation shall, instead of being audited by borough auditors as aforesaid, be audited by one or more

auditors appointed in accordance with the schedule of this Act, and the provisions of that schedule shall have effect with respect to the qualifications, powers and duties of any auditor so appointed."

I propose, by this amendment, to add a proviso :—

"Provided nevertheless that where a person, being a member of a registered society of accountants, is, at the date of the passing of this Act, holding the office of elective auditor, he shall be deemed to be qualified for appointment if the council of the borough thinks fit."

As far as this Bill has been designed to enable borough councils, who may, in come cases, have, or had at some time, elective auditors with no qualifications of any sort or kind—it may be a tinker, tailor, or anybody else elected for reasons good or bad, and where perhaps, those corporations have become more intelligent or awakened to the fact that there is some suspicion of malpractice, or perhaps not that vigilance of audit there should be, and they wish to get rid of such an auditor—I think that, as far as that is concerned, it is an excellent Bill. But this House wants to preserve its reputation for not working an injustice when trying to do good. The schedule to the Bill, to which I have an amendment later, enumerates some seven societies who are made sacred by being brought within the purview of the Bill. As a matter of fact, there were only four prior to the Committee stage. Unlike the ten little nigger boys, they have not diminished but increased in numbers from four to seven.

It is rather extraordinary that among the increased number are the Society of Accountants in Edinburgh, the Institute of Accountants and Actuaries in Glasgow, and the Society of Accountants in Aberdeen. Yet this Bill in Clause 3 says that the Act shall not extend to Scotland. It is said that hard cases make bad law, but surely every Member of this House, even the promoter and the Parliamentary Secretary to the Ministry, will regard as a little extraordinary that the hard case I am going to cite as an example, because I happen to know all about it. I do not suggest that the law should be altered because of one hard case, but here is a gentleman who is to be debarred in future from being chosen by his own council in the town where he lives, having done his job satisfactorily for 16 years, and is doing it to-day. He has been elected to other local appointments, and also to audit the Road Fund licences under the Ministry of Transport. He is to be regarded, if this Bill passes unamended, as being unfit for his job, and yet professional gentlemen, whose qualifications come from Aberdeen, Edinburgh and Glasgow, are put into this Bill as men who may be quite properly appointed in future.

To show the kind of hard case that may occur, I may say that the man of whom I am thinking is not without qualifications. He is not a cobbler, or anything like that, or even an intelligent, experienced tradesman in the town. He is an accountant, a member of a society which has been established for 30 years, but is not included in the sacred list in the Schedule. It is now the third senior society in the country. Entry is by examination. It has a good number of examiners, and a high standard of examination and only about 50 per cent. pass it. A large percentage of its members hold public appointments of this kind. Furthermore, it has a higher percentage than at least one of the societies now admitted to the Schedule.

I believe that hon. Members are really taking some notice of the injustice that may be worked by a part of this Bill. It has always been the practice of this House to try to preserve the interest and the livelihood of a man actually in occupation of an appointment. The most recent example is that of the dental mechanics under a recent Bill, who, if they had been doing their work for a certain specified number of years were allowed to practise dentistry, and are doing so. Those particular individuals were allowed to go on for the rest of their working life. It is a practice recognised, I think, by any body of Englishmen and Englishwomen as being only fair, right and proper, and that is all I am asking the House to try and preserve on this occasion. I think that my first amendment is the most fair and reasonable way of doing what is wanted, but, alternatively, I seek to include in the Schedule the society of which I have already spoken.

The first two societies mentioned in the Schedule are well known to everyone, and then we have the three Scottish societies, which are doubtless excellent societies, but which, I suppose, are included because a professional gentleman qualified by membership of one of these Scottish societies may happen to be a partner in an English firm. Then there are two decidedly smaller societies, which have recently succeeded in getting themselves recognised by Committees of this House. I submit that it is just, either to allow a man like the one I have described to continue to be elected by the body which have elected him so far, or, if not, to include in the Schedule a perfectly proper, decent, recognised public society whose members are only admitted by examination. There is no risk of creating any vested interest by so doing.

Mr. HERBERT WILLIAMS, in seconding the amendment, said :—I appreciate the difficulty of the promoters of the Bill and of the Ministry. They want to be assured that people who are not really satisfactory are not included in the Schedule, and it may be—I do not know—that some societies, while they have at present a high standard, may include among their members a number of people admitted in the past who are not of the requisite standard.

The SPEAKER explained that the other amendments could not be moved until the first one was disposed of.

Mr. HARTLAND said that the amendment which stood in his name did not tend to loosen or widen the meshes of the net. It stipulated in the first place that a person to be eligible must be a member of an incorporated body of accountants.

Mr. LYONS said the object of his amendment would have been to delete each one of the very worthy Institutions mentioned in the Schedule and to allow the appointment of any member of a body of accountants established by charter or under the provisions of an Act of Parliament.

Mr. C. PEAT, F.C.A. : When Mr. Lyons speaks of accountants under the provisions of an Act of Parliament, does he include any body of accountants who may register themselves as a limited company under the Companies Act? If so there would be no definite limit to the number of people who could register.

Mr. LYONS : I find a little difficulty, without notice, in dealing with that question, but the risk that Mr. Peat suggests is one that might be easily guarded against. It would be easy to prevent any organisation of mushroom growth coming in.

Mr. PEAT : In the higher branches of accountancy the House may rest assured that we do not pride ourselves on being purely what I may describe as first-class tickers. We go through our examinations and through a long and testing experience, getting a very definite understanding of commercial law, and from the nature of their work accountants have a fair knowledge of industries in which their clients may be engaged. Hon. Members who have supported the amendment have said that the particular societies they had in mind were very anxious that the qualifications of those engaged in the audit of municipal corporations should be kept to the highest possible

standard. We, of course, accept that, but the amendment in the name of Sir J. Ganzoni, seems to me to be rather unnecessary. Municipal corporations who now have an elective auditor whom they respect and upon whom they can rely, can under the Bill continue to engage him in his present capacity. They are not forced to give him up and take on a professional auditor. They are at liberty to continue to employ this estimable gentleman and, therefore, I cannot see why the first amendment has been moved. All we say in the Bill is, that if they make up their minds to give up the elective auditor and not to have a district auditor they can take on a professional man.

Dealing with the amendment of Mr. Hartland, I find that that amendment, together with the amendment of Mr. Lyons, is dangerous in so far as it is very vague. In both Amendments the term "incorporated" is used. What is an incorporated body of accountants? It seems to me that that would refer to any body of accountants who incorporated themselves. Two or three of my hon. Friends and myself could go out of this House and we could form ourselves into a limited company, and then come back, and under the terms of this Amendment we should be eligible to carry out the professional audit of a large corporation like that of Birmingham or Manchester. The Schedule attached to the Bill gives us a sound criterion to go on. We want to find out who are really competent.

Mr. MAGNAY: In the absence of Mr. Lyons I would mention that he said that the present tense should apply, and no one could go outside to form such an incorporated society as was suggested.

Mr. ADAM MAITLAND, F.S.A.A.: I believe that if the amendment of Mr. Lyons is carried in its present form, the Society of Incorporated Accountants and Auditors would automatically be excluded. I believe the same remark would apply to the Society of Accountants in Edinburgh. I am not sure as to the Institute of Accountants and Actuaries in Glasgow, but I rather think they would come into the same category and also the Society of Accountants in Aberdeen.

Mr. SHAKESPEARE (Parliamentary Secretary to the Ministry of Health): Perhaps it will be for the convenience of the House if I state just what the position is in regard to these amendments. My hon. Friend is quite right in saying that if Mr. Lyons' amendment means the present tense and does not apply to the future at all, the Society of Incorporated Accountants and Auditors would be excluded. If this comprehensive amendment is passed in its present form it means that any number of persons in the future could incorporate themselves and register themselves under the Companies Act, and that would bring them under the provisions of the Measure. Then, of course, anyone could do that—my hon. Friend and I could do it—whereas if it is limited, these important bodies are excluded.

Mr. PETHERICK: The first amendment was moved by Sir J. Ganzoni. It is perfectly clear what that amendment means. It is designed to allow the existing elective auditors, if a borough adopts a professional audit, to remain auditors for their borough. There is nothing to prevent that borough from remaining on the elective audit system, and re-electing accountants who have given good service for a very long time. If those accountants have worked for that borough for a very considerable period and given complete satisfaction, presumably the council of the borough will continue to employ them, and will simply remain under the elective system of audit. That seems quite obvious. On the other hand, if they are not satisfied, or if they wish for a change, they will either adopt the district audit system, or the system of professional audit as provided for in this Bill. Surely it is only right to leave it to the boroughs to decide whether they do or do not wish to adopt the professional audit. Under this Bill, which is purely permissive, the boroughs can continue to go on with the elective system as before, they can adopt the district audit, or they can adopt the professional audit.

The attitude of Parliament on the question of including or excluding certain societies has been very clear for many years. It has always taken up the line that you must be extremely strict as to what societies you allow to audit the accounts of local authorities, and it has been the practice to put such cases for consideration by the Local Legislation Committee. There was a case not so very long ago, in 1914, and another case quite recently, in which the Chairman of the Local Legislation Committee, on the question of a Corporation Bill, said that the Committee would not be prepared to give absolutely unlimited power to any corporation which has an audit by any person they selected, that there must be a standard of some sort, and in that case the Committee did not see their way to accede to the request of the petitioners.

If boroughs are to be given the option of a professional audit, every care should be taken that that professional audit is the soundest possible, and that only the very best societies are admitted. Those societies which are on the Schedule have already made out their case before the Local Legislation Committee of the House of Commons, which I think we shall all admit is a very respectable and careful body. The other societies which it is proposed to admit have not made out such a case.

Mr. SHAKESPEARE: Several questions have been put about the attitude of the Government to this Bill, and perhaps the House will allow me to say shortly what that attitude is. This is a private Member's Bill, and the House is, of course, at liberty to amend or reject it as it likes, but it affects, not only my own department, but also the Treasury and the Board of Trade, and, before the House takes any vote, I hope I shall be allowed on behalf of my department to say that, if the Bill is altered in certain directions, any interest that we may have in it will be entirely changed. Of course, as I have said, the House can amend or reject the Bill as it likes, but everyone who votes should know that the alteration of the Bill on the lines suggested by some of my hon. Friends will, in our view, change the Bill from a very useful little Measure into one that has elements of danger in it.

The object of the Bill, as was stated by Mr. Petherick, is to improve the whole status of municipal accounting, and I should like to congratulate him on the way in which he has sponsored the Bill. He has been very reasonable. He accepted several amendments in Committee, but I hope he will not accept any more. After all, everyone here is agreed that the object of the Bill is a good one. I think everyone agrees that the elective method of auditing is a bad method, and the Bill simply says that, if any borough is dissatisfied with the present system of audit, it can either adopt district audit or go in for a professional audit, but, if it takes a professional audit, it should be quite sure that its auditors are appointed from some society that has been recognised by long tradition and examination, and whose status is beyond question. Parliament has always taken the line, I think wisely, that questions of status must be left to the Local Legislation Committee.

Sir J. Ganzoni's amendment was rejected by 109 votes to 43, and he did not move his alternative amendment. Mr. Hartland's amendment was defeated by 115 votes to 39, and Mr. Lyons' amendment by 109 votes to 50. With one or two minor amendments the Bill was then read a third time.

BUSINESS OF THE COURTS.

Memorandum by the Solicitors' Managing Clerks' Association.

The main recommendations of the Council of the Solicitors' Managing Clerks' Association, in a memorandum submitted for the consideration of Lord Hanworth's Committee, relate to matters of legal procedure and are therefore not of particular concern to our readers, but the following extract on the subject of the Circuit System will probably be of interest :—

CIRCUIT SYSTEM.

This Association considers that it is to the advantage of litigants, their witnesses and provincial practitioners that County Assizes should continue and be presided over by Judges of the King's Bench Division.

The present system, however, is defective for the following reasons :—

(1) At the present time the Circuits are not synchronised with the Sittings of the High Court.

(2) At the beginning and at the end of term it frequently happens that practically all the Judges of the King's Bench Division are available to try cases in London, while at other times London is denuded of Judges. This causes confusion and inconvenience both to the practitioner, the litigant and witnesses, in particular :—

(*a*) It is impossible for the practitioner to gauge with any degree of accuracy when a case is likely to be reached in the List.

(*b*) The brief and papers having been delivered to Counsel, it frequently happens that owing to the number of Judges in London the case is suddenly placed in the Daily Cause List, and it is then found that Counsel is engaged in more than one Court, and the case has then to be conducted by another Counsel who has not settled the pleadings and who has had inadequate time in which to prepare the case. This frequently causes great dissatisfaction to the litigant for which his solicitor or the managing clerk is blamed.

(*c*) Having been put to the inconvenience as indicated in (*b*), it is sometimes found that the Judge has to leave for Circuit work on the day following, and unless, therefore, the case is a short one, the Judge cannot take it.

(*d*) The case which has been prepared and is ready for trial, not having been reached, may then have to wait weeks before it again appears in the Daily Cause List. The result is that additional expense has of necessity to be incurred.

To remedy these defects this Council recommends :—

(1) That in view of the present facilities for travelling, business on Circuit should as a general rule be confined to large and convenient centres. Assizes should only be held at such large and convenient centres, the smaller towns being eliminated.

(2) That Assizes should be synchronised to commence and end with the sittings of the High Court.

(3) That immediately prior to the commencement of each term certain Judges of the King's Bench Division should be assigned to Circuit work alone, and the remaining Judges should be available for the High Court or the Central Criminal Court throughout the term.

(4) That in the event of the Judges assigned to Circuit work being of opinion that they are unable to complete the work of Assize before the end of the term, then a Commissioner should be appointed to assist.

CHARTERED INSTITUTE OF SECRETARIES.

Conference at Oxford.

A Conference of members of the Chartered Institute of Secretaries was held at Oxford on Thursday, Friday, and Saturday, May 11th, 12th, and 13th.

The proceedings opened on May 11th with a civic reception in the Town Hall, when the Mayor of Oxford (Alderman C. H. Brown) welcomed members to the city, and expressed the hope that both they and the city of Oxford would be benefited by their assembling there.

The PRESIDENT (Mr. F. Gurdon Palin) thanked the Mayor for his kind reception. He said that the Institute was formed in 1891 and received a Royal Charter in 1902, and had now nearly 7,000 members. Chartered Secretaries had close ties with municipal life, and a number of them were mayors and others held positions on the staffs of municipalities.

The members of the Conference then proceeded to Rhodes House for the first business meeting, and were welcomed by the Vice-Chancellor of Oxford University (Rev. F. J. Lys, M.A., Provost of Worcester College).

HOW THE UNIVERSITIES CAN HELP COMMERCE.

Mr. KENNETH BELL, M.A., Fellow of Balliol College and Vice-Chairman of the Appointments Committee of the University, delivered an address on "How the Universities can Help Commerce." He explained that he proposed to speak chiefly about Oxford University as a recruiting ground for business. He denounced the fallacy of the "typical Oxford man," clad in fantastic garments and incapable of concentrating on anything except amusing himself. Oxford presented a cross section of the whole community, including Englishmen of all classes—the constantly increasing number of scholarships sent up undergraduates from humble homes—and Dominion and foreign students from all parts of the world. Corresponding to this variety of human types was the variety of careers for which they were required. It would not be right to attempt to shoot them all into business: however bad the slump, the supply of scholars and professional men must be kept up. He had said that there was no such thing as "an Oxford man," but it was possible to use the phrase to express the product of a particular form of training—a social or moral training as well as a training of the mind. It was often said that the undergraduate was not made to work hard enough. If he worked, he worked in his own time and by his own methods: he learned to discipline himself. It was difficult to give undergraduates an idea of what business was like, and business men were too much inclined to ask for a man with technical qualifications. An Oxford trained man ought to be able to pick up technicalities quickly after appointment, as he was allowed to do in the Civil Service, where the examination was carefully adapted to the final schools at the University. Prospects should be made more definite; employers were too much afraid of committing themselves. In actual selection, more use should be made of the University Appointments Committee, which made available knowledge of the candidate's capabilities based on three years' close personal contact.

An interesting discussion followed, and a vote of thanks to Mr. Bell was carried with acclamation.

CONFERENCE DINNER.

A dinner was held on May 11th at the Clarendon Hotel. The PRESIDENT (Mr. F. Gurdon Palin) presided, and the guests and members present included the Vice-Chancellor

of the University (Rev. F. J. Lys, M.A.), the Mayor of Oxford (Alderman C. H. Brown) and the Mayoress, the Provost of Oriel College (Mr. W. D. Ross, O.B.E., M.A., LL.D.), the Principal of the Society of Oxford Home Students (Miss Grace E. Hadow, M.A.), the Principal of Lady Margaret Hall (Miss Lynda Grier, M.A.), the Warden of Rhodes House (Mr. C. K. Allen, M.C., M.A., D.C.L.), Professor R. V. Southwell, M.A., F.R.S., Mr. H. W. House, M.A., the University Registrar (Mr. D. Veale, C.B.E., M.A.), the Secretary of the Appointments Committee (Mr. C. E. D. Peters, M.A.), the Secretary of Faculties (Mr. H. M. Margoliouth, M.A.), the Secretary to the Curators of the Chest (Sir A. C. McWalters, M.A.), Bodley's Librarian (Mr. H. H. E. Craster, M.A., D.Litt.), Mr. W. G. Hislop and Mr. Hildred Carlisle (Vice-Presidents of the Institute), Mr. H. Foulds (Treasurer), Colonel W. Parker, D.S.O., Mr. F. R. E. Davis, O.B.E., Mr. Edward Wilshaw, J.P., Mr. E. E. Pullan, Mr. R. B. Pilcher, O.B.E., Mr. A. A. Garrett, M.A. (Secretary, Society of Incorporated Accountants and Auditors), and Mr. C. H. Isdell-Carpenter, O.B.E. (Secretary of the Institute).

The PRESIDENT proposed the toast of "The University," and expressed appreciation of the honour conferred on the Institute by the Vice-Chancellor when he accepted their invitation. Everything now-a-days was tested by speed; he would like to say a word for the quieter things of life. Oxford, with its love of culture and learning for its own sake, represented that influence.

The VICE-CHANCELLOR, in reply, said that a few years ago business men regarded Oxford as a place where young men, if they studied at all, were occupied with subjects which had no connection with modern life. He was not convinced that specialisation in a University course was desirable, whatever the career in view might be. Lord Haldane held that a man who was to obtain the highest place as a lawyer would do better to enter the final classical school at the University than to specialise in law.

Mr. W. G. HISLOP (Vice-President) proposed the toast of "The City of Oxford." He said that British people had an inborn aptitude for managing their own affairs and for effecting radical changes without endangering the basis of the constitution. They might well be proud of the great wealth of voluntary service which was always available for the institutions of this country, and especially for the conduct of civic and municipal affairs. There was a reference to a Provost or Mayor of Oxford in 1122; the first charter was granted to the city by Henry I about 1130.

The MAYOR OF OXFORD replied. He said that the relations between the city and the University had not always been so good as they were now, but Oxford had overcome its difficulties, and stood as an example of the application of up-to-date control of a municipality.

Mr. H. CARLISLE (Vice-President of the Institute) proposed the toast of "Our Guests," and coupled with it the name of Mr. W. D. Ross (Provost of Oriel College).

Mr. Ross, responding, said that the University did not provide specific training for any particular calling, but he believed that a good brain well trained formed an excellent preparation for business life. He had heard that Lord Birkenhead, when appointed director of a company at a salary of £10,000 a year, made a suggestion at the first directors' meeting he attended which saved the company more than his salary. That was a good illustration of the application of great intelligence with the training Oxford provided. Oxford now had schools of political philosophy and economics, and those who had vacancies to fill in business spheres might well turn their eyes in that direction.

TRAINING LEADERS FOR INDUSTRY.

A discussion on "Training Leaders for Industry" occupied the morning session on May 12th. The principal speaker was the Right Hon. H. A. L. Fisher, M.A., D.C.L., Warden of New College.

The PRESIDENT (Mr. F. Gurdon Palin) said that the Council had decided that the Conference in Oxford was an unrivalled opportunity for discussing University education as affecting business life. His own company was in favour of a University training for business. Opponents of the principle were inclined to concentrate on the office boy who had risen to be manager, but if in future they were to select as managers only those who had been office boys he thought the result would be catastrophic. A small business might be unable to take a University man in order to provide good promotion material for its later needs, but for a large business he considered it a very justifiable charge on overheads. His own company had adopted this policy with great success. The Vice-Chancellor had said that a classical education was the best training for all purposes. He subscribed to that doctrine very largely, but he thought that some regard might be paid to a young man's career in the later stages of his training. He would like a University graduate to be able to read the City page of *The Times* and understand it. Regard should also be paid to languages, and young men should be taught method and detail before they came into the City.

The Right Hon. H. A. L. FISHER said that the remarkable success of Danish agriculture was attributed to University training of their young men and women. No University could impart the flare for buying and selling which was the foundation of so many business fortunes. But Universities gave a good social and athletic training, and taught their undergraduates to express themselves in clear, accurate English. Business was growing larger and more complex, and required in an increasing degree the trained mind which the Universities could supply. Examinations had the merit of testing industry and the capacity for mastering information, picking out the important parts and expressing them clearly on paper. Oxford provided a training in economic science. It demanded considerable general intelligence from its undergraduates, and a fair knowledge of languages from a large proportion of them. He felt that the great need was for closer co-operation between the business world and the Universities, and for that reason he welcomed the opportunity of addressing that conference at Oxford.

Mr. H. W. HOUSE, of Queen's College, explained the facilities for the study of modern languages at Oxford.

Mr. W. A. NIXON said the men who were wanted in industry were those who had gone through the mill.

Mr. C. R. HEATHCOCK referred to the previous speeches, which he thought dwelt on the personal advantages of a University education as the portal of a larger individual life. But business was a quest of wealth, naked and unashamed. He knew of no business in the Black country which had been built up by a University trained man.

Mr. T. S. WASON mentioned the case of a world-wide business, built up by a University man, and he thought all the directors were University men.

The PRESIDENT referred to the example of Cecil Rhodes, in whose honour the hall in which they were meeting had been named.

Mr. HAROLD FOULDS (Treasurer of the Institute) proposed a vote of thanks to the Secretary (Mr. C. H. Isdell-Carpenter, O.B.E.) and his assistants for their work in making the arrangements for the conference.

Mr. RICHARD B. PILCHER, O.B.E., said he would like to include the President, who was a leader of whom they might be proud.

The PRESIDENT responded.

Visits to various colleges and excursions to places of interest were arranged for Thursday and Friday afternoons and Saturday. The ladies accompanying members were conducted over the Bodleian Library and the Colleges while the business meetings were in progress.

THE INSTITUTE OF MUNICIPAL TREASURERS AND ACCOUNTANTS (INCORPORATED).

The Institute of Municipal Treasurers and Accountants have recently acquired as the headquarters and offices of the Institute an attractive house at 1, Buckingham Street, Westminster, near Victoria Station.

The house is in the Georgian style, constructed of old brick, and was built in 1915 to the design of Mr. L. Stanley Crosbie, F.R.I.B.A. It has been occupied until recently as a private residence, and its character as such has been preserved as far as possible.

The ground floor contains a rectangular entrance hall paved with white Italian marble, the main office and typing room, and the lounge hall. On the first floor is the Council Chamber, 35 ft. long, with six large windows on the front and side of the building, furnished with a mahogany table seating twenty persons, and a suite of mahogany chairs covered in green leather. The adjoining room is the Secretary's office; it was formerly the library of the house, and is still fitted with oak bookcases. The ten rooms on the second and third floors provide for expansion.

The Council of the Institute, in the illustrated pamphlet which has been issued to commemorate the acquisition of the building, express their satisfaction that in purchasing the freehold of this property they have acquired permanent headquarters of character and dignity, designed with taste and great ability, and conforming to a high standard in materials and workmanship.

In connection with the opening of the building, the President of the Institute, Mr. D. M. Muir, F.S.A.A., Burgh Chamberlain, Dunfermline, and members of the Council, gave a luncheon at the Hotel Rubens on May 5th last. The guests and members included Mr. A. A. Garrett (Secretary of the Society of Incorporated Accountants and Auditors), Mr. H. Brown (Hon. Editor of the Journal of the Association of Local Government Financial Officers), Mr. C. F. Bulpitt (Editor of the *Municipal Review*), Mr. F. W. S. Emery (Assistant Editor of the *Justice of the Peace and Local Government Review*), Mr. J. Forbes (Editor of the *Municipal Journal*), Mr. W. Ivor Jennings (Editor of the *Local Government Chronicle*).

Mr. Muir, in welcoming the guests, stated that, after considerable search and labour, the Institute had found a suitable building, the acquisition of which had given them great satisfaction, and which he felt would facilitate the efficient administration of the Institute's work. The building expressed the dignity which the President believed the Institute occupied in public estimation. They were glad to welcome at the luncheon a number of visitors, including representatives of the municipal and professional press.

Mr. W. Ivor Jennings (Editor of the *Local Government Chronicle*) responded to the toast, and referred to the increasing importance of finance in the affairs of Local Government, and to the increased responsibilities which legislation had placed upon local authorities throughout the country.

Mr. A. A. Garrett, in thanking the Council of the Institute for their hospitality, referred to the long and valued relationship which had existed between the Society of Incorporated Accountants and the Institute of Municipal Treasurers. He conveyed the greetings of his Council to the members of the Council of the Institute, with all of whom he had been in friendly communication over a number of years. He congratulated the Institute of Municipal Treasurers upon its progress and upon the acquisition of the building, which represented the beauty and convenience of an historic and peculiarly British style of architecture. He was indebted to them for many courtesies, and particularly to Mr. C. Garratt-Holden, their Secretary. Mr. Garrett concluded by wishing continuing prosperity to the Institute of Municipal Treasurers.

After the luncheon the visitors were received by the President at the building, which they were given an opportunity of inspecting.

ARTICLED CLERK'S CLAIM FOR WRONGFUL DISMISSAL.

An action in which an articled clerk sued his former employers, claiming damages for wrongful dismissal, was heard by Mr. Justice Swift in the King's Bench Division on April 27th and following days.

The plaintiff was Mr. Jack Mayhew Sanders, of Higham Road, London, N., and the defendants were Mr. Ernest Miles Taylor and Miles Taylor & Co., of Coleman Street, London, E.C.

Mr. F. W. Beney, for Mr. Sanders, said that Miles Taylor & Co. carried on a tuition college called the British College of Accountancy, and they also had a private practice as Chartered Accountants. There were three partners in the firm, Mr. Taylor being the senior. Mr. Sanders claimed from the firm damages for wrongful dismissal, and from Mr. Taylor damages for breach of agreement. In January, 1931, Mr. Sanders was articled to the defendants for five years, and Mr. Taylor agreed that at the end of that time he would, under certain conditions, give Mr. Sanders the requisite certificate to enable him, on passing the examinations, to be admitted as a member of the Institute of Chartered Accountants. After he had been articled for nearly two years, Mr. Sanders was dismissed, and he had been gravely prejudiced in his career as a consequence. He would have to pay a substantial premium to someone in respect of the transfer of his articles for the remaining period of three years. Mr. Sanders was an extremely competent young man, and he did for the defendant firm work which was not normally entrusted to a man aged 25.

The defence to the action was that Mr. Sanders was not summarily dismissed, but was given three months notice, which he accepted. It was also pleaded that if he was dismissed there was justification for his dismissal.

Mr. Mayhew Sanders gave evidence that he became employed by the defendants as a clerk in July, 1929, and was articled to Mr. Taylor in January, 1931. On December 31st, 1932, he was asked by Mr. Taylor why he had refused to work with a man who managed Mr. Taylor's business at Cannon Street, and he replied that he had not refused.

At this point Mr. Sanders, who had been asked several times to "speak up," stated that he felt ill, and by

direction of the Judge he was assisted out of the witness box and taken to the corridor outside the court.

Mr. Edward Baldry, a Fellow of the Society of Incorporated Accountants and Auditors, gave evidence that it was essential that a man should be articled for five years before he could become a member of the Institute of Chartered Accountants. Mr. Sanders would have to get someone to take the transfer of his articles for the remainder of the period, and he would have to pay a premium. Before he was made a member of the Institute he would have to satisfy the committee as to his reputation.

Representatives of several firms for whom Mr. Sanders had done auditing and other accountancy work on behalf of Miles Taylor & Co. stated that they were satisfied with his work, and regarded him as competent.

As Mr. Sanders, who had fainted, was unable to continue his evidence, the hearing was adjourned.

Continuing his evidence on April 28th, Mr. Sanders said that on December 31st, 1932, Mr. Taylor said to him: "You have to go. You can take three months notice." At an interview the next day Mr. Taylor offered to hand over to Mr. Sanders part of the firm's work as auditors, and eventually Mr. Sanders referred the matter to his legal advisers.

In cross-examination, Mr. S. Pascoe Hayward, for the defendants, suggested that Mr. Sanders "was dilatory, untruthful and disobedient."

Questions respecting entries in Mr. Sanders' diary were put by Mr. Hayward, who alleged that some of the entries were misleading with regard to Mr. Sanders' work.

Mr. Justice Swift remarked that the defendant firm took Mr. Sanders to teach him the business of an accountant, and they had no right to expect that he would do the work of a qualified accountant as soon as he entered the firm's office. They could not justify breaking the agreement with Mr. Sanders by making a lot of little complaints.

Mr. Sanders said he had no recollection of being told by Mr. Taylor that his work was "disgusting."

Accounts audited by Mr. Sanders were handed to him, and he was questioned about them and about accounts he had prepared for income tax purposes.

Mr. Sanders denied that in writing and signing on behalf of the firm letters to the Inspector of Taxes he acted in defiance of Mr. Taylor's express instructions. Telephone calls by the Inspector were put through to him, as he was the only person who could deal with them. It was not true that he was dilatory, but he agreed that he was not perfect, and that he made some mistakes.

Questioned about income tax computations, Mr. Sanders said that he did such work, but normally an articled clerk would not be entrusted with that kind of work.

Mr. Hayward complained that Mr. Sanders wrote letters regarding income tax without submitting them to a partner in the defendant firm.

Mr. Justice Swift said that Mr. Sanders had given evidence that Mr. Taylor never objected to him signing letters on behalf of the firm, though the Institute's rules provided that an articled clerk must not do so.

When Mr. Sanders stated that it was common in the accountants' profession not to formally acknowledge tax inspectors' letters, Mr. Hayward replied that he would call evidence to the contrary.

Mr. Justice Swift: Do ordinary people ignore tax inspector's letters?

Mr. Hayward: Ordinary people engage accountants to reply promptly to the letters.

Mr. Sanders explained that it was arranged that he should sit for examinations, and Mr. Taylor thought that it would help the tuition college if he passed with honours.

Mr. Hayward: He paid you a large salary for an articled clerk?

Mr. Sanders: Yes.

And in consideration of that salary he expected you to do a certain amount of responsible work?—Yes.

Mr. Justice Swift: I thought your complaint was that he took too much on himself.

Mr. Hayward: It is.

The Judge: You cannot have it both ways. You cannot expect him to take responsibility and then complain because he does.

This concluded Mr. Sanders' case.

Mr. Ernest Miles Taylor, giving evidence, said that he was a Fellow of the Society of Incorporated Accountants and Auditors and of the Institute of Chartered Accountants.

Referring to an audit carried out by Mr. Sanders, Mr. Taylor asserted that information was deliberately withheld from him by Mr. Sanders. In another case an account was in "a shocking state," and on being warned that he would have to leave if his work did not improve Mr. Sanders replied that he was prepared to go.

Mr. Taylor explained that by December, 1932, there had been so many complaints about Mr. Sanders that he (Mr. Taylor) had come to the end of his patience, and felt he could not trust Mr. Sanders.

Asked if he authorised Mr. Sanders to sign letters on the firm's behalf, Mr. Taylor replied: "It is untrue that I was foolish enough, against the etiquette of the profession, to allow an articled clerk to sign the name of the firm when I had two partners."

Mr. Beney (cross-examining): What steps did you take to teach Mr. Sanders the business of a Chartered Accountant?

Mr. Taylor: He had to bring the accounts to me, and I went through them with him. I also visited many of our clients with him.

Why did you dismiss him?—Because I had no longer any confidence in his word or any reliance on his loyalty to the firm, and because, before I gave him notice, threats were made to me that he would steal our clients.

Further cross-examined, Mr. Miles Taylor said that one of the grounds on which Mr. Sanders was dismissed was that he had threatened to steal the firm's clients.

Mr. Beney: Do you easily get rattled?—On occasions.

Answering another question, Mr. Taylor said, "I have a good many friends in the profession, and could have done a good deal for Sanders if he had not been such a fool. He has himself to blame for everything that happened. He will have to change his tactics very much before he will be worthy of becoming a Chartered Accountant. I did my utmost to help him."

Mr. Victor Bailey, a partner in the defendant company, said he told Mr. Sanders not to sign letters on the firm's behalf, as it was contrary to the rules of the profession for an articled clerk to do so.

Questioned about the reasons for Mr. Sanders' dismissal, Mr. Bailey said: "I came to the conclusion that he was untruthful, and that I could not trust him any longer. He was reckless in his work, and when his entries in books were questioned, he replied: 'They can be adjusted. I made them *pro tem.*'"

Cross-examined, Mr. Bailey said that there was "a foolish error" in one letter written by Mr. Sanders to a tax inspector, and if the letter had been submitted to a partner in the firm it would not have been sent. The

writing of "such an absurd letter" would indicate to the inspector that the company did not know its job.

Mr. Charles Perry, a partner in Miles Taylor & Co., also gave evidence.

Mr. Justice Swift, giving judgment, said that the case was rather a curious one, but it presented no real difficulty. Mr. Sanders, who was a young man with personality and ability, was articled to Mr. Miles Taylor in January, 1931. Nobody had suggested that Mr. Sanders was lacking in competence, or that he was not a skilful and clever young man, who ultimately would have had no real difficulty in qualifying as a Chartered Accountant. For some reason or other, which was hinted at very vaguely by both sides, Mr. Miles Taylor determined, on December 31st, 1932, to break Mr. Sanders' articles and discharge him. Alleged misconduct by Mr. Sanders was not the reason for the dismissal, as in the main it was not discovered until later. It might be that the need for economy was the reason for the dismissal, as Mr. Sanders' salary was rising.

"I am satisfied," continued Mr. Justice Swift, "that there was nothing to justify the summary dismissal of Mr. Sanders. None of the complaints made would have justified an employer saying more than 'That is very careless. Take care it does not occur again.'

"To say that the fact that an articled clerk wrote in a letter something with which a tax inspector did not agree was justification for breaking the clerk's articles seems to me to be perfectly ludicrous. I find nothing in the case set up by the defendants to justify the conduct of Mr. Miles Taylor."

His Lordship awarded Mr. Sanders 100 guineas against Mr. Taylor in respect of the cost of getting his articles transferred, and £80 in respect of injury done to him in his career by the way he was treated. If Mr. Taylor did not agree within six months to the transfer of Mr. Sanders' articles the damages would be increased to 600 guineas.

Against Miles Taylor & Co., Mr. Sanders was awarded £300, the Judge stating that he was of the opinion that that was a fair and adequate, but not an extravagant, amount in respect of the breach of contract by the partnership firm.

Judgment was entered accordingly for Mr. Sanders against Mr. Taylor and the company with costs.

On a counterclaim, judgment was given for Miles Taylor & Co., for £26, without costs, for the rent of a flat which Mr. Sanders had occupied.

INCORPORATED ACCOUNTANTS' GOLFING SOCIETY.

The Incorporated Accountants' Golfing Society opened their season with a Spring Meeting, which was held at the Edgware Golf Club on Thursday, April 27th, by kind invitation of Mr. Henry Morgan, F.S.A.A.

The medal round was played in the morning, and resulted in a tie between Mr. D. C. Brook (91—17=74) and Mr. F. W. E. Morgan (84—10=74), who replayed nine holes in the afternoon. Mr. Brook won the medal with a score of 50—8½=41½. Mr. Morgan's score was 47—5=42. Both winner and runner-up received prizes given by the Society.

In the afternoon, a four-ball bogey competition was held, which was won by Mr. F. W. E. Morgan and Mr. P. F. Keens.

A match was played against the Solicitors' Golfing Society at Walton Heath on May 23rd. The Solicitors won both the single and the four-ball matches, the result being: Single matches, 6 games to 3; four-ball matches, 6½ games to 3½, making a total of 12½ to 6½ matches.

LUNCHEON TO THE MAYOR OF SOUTHAMPTON,

Councillor F. Woolley, F.S.A.A.

The Mayor of Southampton (Councillor F. Woolley, J.P.), who has been Honorary Secretary of the South of England District Society of Incorporated Accountants since its formation, and is a member of the Council of the Society, was honoured by colleagues in the accountancy profession when a luncheon, at which he was the principal guest, was held at the South-Western Hotel, Southampton, on May 29th.

The luncheon was arranged by the South of England District Society of Incorporated Accountants. Nearly 200 persons attended, including the President of the Parent Society, Mr. E. Cassleton Elliott.

Mr. E. W. C. WHITTAKER, J.P. (President of the South of England District Society), was in the chair, and among those present, in addition to the Mayor and Mr. Cassleton Elliott, were:—

The Mayoress of Southampton, Mrs. E. Cassleton Elliott, Mr. R. Wilson Bartlett, F.S.A.A. (Vice-President of the Society of Incorporated Accountants), Mrs. Wilson Bartlett, Lady Martin, Councillor W. D. Buck (Sheriff of Southampton), Mrs. Buck, The Mayor of Winchester (Lieut.-Col. H. D. Ross), The Deputy Mayor (Councillor E. W. Cross), Sir Russell Bencraft, J.P., The Mayoress of Winchester, Mr. T. Keens, Mrs. Keens, J.P., Mrs. Hewitt, Mr. W. A. Craven-Ellis, Mrs. Craven-Ellis, Mr. M. H. Pugh (President, Southampton Chamber of Commerce), Mr. J. Stephenson, O.B.E., F.S.A.A. (President, London and District Society of Incorporated Accountants), Mrs. Stephenson, Mr. J. Barclay Young (Consul-General for the U.S.A.), Mr. E. C. Baldwin (President, South Eastern Society of Chartered Accountants), Councillor Dr. A. Bosworth-Wright (President, Portsmouth Chamber of Commerce), Alderman F. A. Dunsford, Alderman S. G. Kimber, Mr. Harry Parsons (Chairman, Southampton Harbour Board), Capt. J. V. Forster (Canadian Pacific Steamships, Ltd.), Rev. Canon R. B. Jolly, M.A., Prof. J. Eustice (President, Local Free Church Council), Mr. W. Holman, F.S.A.A., Mr. D. Atkey, Mr. C. E. Cotterell (Cunard Steamship Co., Ltd.), Mr. G. M. Howard (President, Southampton Institute of Bankers), Rev. Shirley Herrick, Rev. C. J. Tribe, Mr. J. Bradley, F.S.A.A. (Borough Treasurer, Southampton), Mr. J. Moffitt, F.S.A.A. (City Treasurer, Portsmouth), Mr. E. Trevor Lewis (White Star Line), Mr. A. J. Rogers, Ald. F. R. Brown, Mr. A. J. Browning, Mr. J. Hepburn, Mr. R. K. Thorlby, Mr. H. M. Loughman, Mr. F. Warren (President, Winchester Chamber of Commerce), Colonel Sir E. K. Perkins, C.B.E., Mr. A. A. Garrett (Secretary, The Society of Incorporated Accountants), Mrs. Garrett, Mr. E. E. Edwards (Parliamentary Secretary, the Society of Incorporated Accountants), Capt. R. P. Biddle (Southern Railway Co.), Rev. A. W. Chute, M.A., Capt. A. E. Jones, Mr. L. Lankester, Mr. W. A. J. Mitchell, C./Lieut.-Col. W. E. Pittard, Mr. E. A. Richardson, Mr. E. K. Toogood, Mr. W. J. Davies, Mr. E. Dibben, Mr. W. Dixon, Mr. H. E. Braithwaite (Deputy Town Clerk, Southampton), Mr. M. Bound, A.C.A., Mr. E. Coteman, M.A., Mr. L. J. Foot, Mr. W. A. Gleave, Mr. Clifford Harper, M.A., Mr. C. F. Hiscock, Mr. F. J. Hemmings, B.Sc., Mr. K. A. Abbott. Mr. B. S. Allen, Mrs. Allen, Mr. C. J. B. Andrews, A.S.A.A., Flight-Lieut. C. E. Aston, A.S.A.A., Mrs. Aston, Councillor H. J. E. Batchelor, F.S.A.A., Mrs. Batchelor, Mr. G. H. M. Berry, F.S.A.A., Mr. H. J. Bicker, F.S.A.A., Miss M. Bickford, Mr. W. C. Black, F.S.A.A., Miss M. D. Black, A.S.A.A., Mr. E. R. Bradley, F.S.A.A., Mrs. E. R. Bradley, Mr. E. G. Burnett, F.C.A., Mr. S. J. Clark, Mr. W. F. C. Clark, Miss V. Clarke, Mr. G. E. Collins, Mrs. Collins, Mr. G. P. Cornish, Mr. J. V. Cousens, F.S.A.A., Mrs. Cousens, Mr. A. C. Curtis, Mr. A. Daniels, F.S.A.A., Mr. C. H. Davis, Mr. S. G. Dowden, A.S.A.A., Mrs. Duggins, Mr. E. Eaton, Mrs. Eaton, Mr.

A. H. Edwards, F.S.A.A., Mrs. England, Mr. R. A. Etheridge, A.S.A.A., Mrs. Etheridge, Mr. H. C. Fleming, Mr. C. R. Foot, A.S.A.A., Mr. E. Monson George, Mrs. George, Miss Glover, Mr. F. W. Cook, Mr. E. H. Hicks, Mr. W. F. Hodges, A.S.A.A., Mrs. Hodges, Mr. G. F. Jackson, A.S.A.A., Mrs. Jackson, Mr. A. J. Johnson, F.S.A.A., Mrs. Johnson, Mr. K. Kelsey, Mr. E. T. Kemp, A.S.A.A., Mrs. Kemp, Mr. S. N. King, A.S.A.A., Mr. G. W. Leaper, Mr. H. A. Lee, Mrs. Lee, Miss E. K. Light, Mr. H. J. Luffe, A.S.A.A., Mrs. Luffe, Miss Luffe, Miss K. M. Marshall, Mr. G. H. Martin, Mr. A. Midlane, Miss D. M. Montgomery, Mr. B. Munckton, Mr. C. Nash, Mr. B. A. Neate, Mr. H. D. M. Page, Mr. R. F. Page, Miss D. Passfield, Mr. A. Piper, Mrs. Purser, Miss U. Quinn, Mr. H. E. Rae, Mrs. Rae, Mr. G. R. Ratcliffe, Miss B. Reaney, Mr. R. K. Roberts, Mr. A. F. Routledge, Mr. S. C. Rowland, A.S.A.A. (Deputy Borough Treasurer, Southampton), Mr. W. H. Rowland, F.S.A.A., Mrs. Rowland, Mr. W. Rumsey, Mrs. Rumsey, Mrs. Sanders, Miss S. Sibley, Mr. I. H. Slater, A.S.A.A., Mr. W. J. Slater, A.S.A.A., Mr. B. T. Slinn, Mr. W. G. Smith, A.S.A.A., *Southern Daily Echo*, Miss R. M. Swinstead, Mr. E. G. Taylor, Mr. J. J. Timpson, Mrs. Timpson, Mr. R. J. Tottle, A.S.A.A., Mrs. Waldron, Sen., Mr. H. J. Weeks, A.S.A.A., Mr. E. C. White, A.S.A.A., Mr. W. F. White, Miss Whittaker, Miss Woolley, Mr. F. L. Woolley, A.C.A., Miss N. L. Wright, Mr. W. W. Wright, A.S.A.A., Mr. F. B. Young, Mr. R. Young, A.S.A.A., Mrs. R. Young, Mrs. E. J. Waldron, Mr. E. J. Waldron, F.S.A.A. (Acting Hon. Secretary).

The toast of "The King" having been honoured, Mr. E. CASSLETON ELLIOTT proposed the toast of "Our Guest." He said that Mr. Woolley was there as their chief guest because they felt that, Southampton having elected him to the mayoralty for two years in succession, the opportunity was fitting for his fellow Incorporated Accountants to pay him honour. Mr. Woolley was well known to most of them. He came to Southampton about 35 years ago, and in 1905 qualified as a member of the Society of Incorporated Accountants, an organisation which was founded by a few men in 1885 and had grown to a membership of over 6,000, with branches throughout the Empire and members practising in many foreign countries. The speaker observed that they were proud of the designation of Incorporated Accountant. It belonged to their Society alone and stood for strict integrity. (Applause.) Mr. Woolley was proud of his designation and they were proud of him. Very shortly after he became a member of the Society, Mr. Woolley came to the conclusion that the best way of practising as a member was to practise for himself, because that was more profitable than to be employed as a clerk. (Hear, hear, and laughter.) Material gain was not his chief object, however, for when the District Society was formed in the South of England Mr. Woolley was in the forefront as Honorary Secretary, a position he held that day. They were very proud that Mr. Woolley, despite his multifarious duties, still held that office. In many instances when men attained success in their professions, honorary positions were allowed to slip by, but that had not been the case with Mr. Woolley. He was still content to be the Secretary, and they were proud of him and of the activities of the Society. (Hear, hear.) Mr. Woolley held many honorary positions in Southampton and among those he appreciated most was that of honorary secretary to the Southampton Seamen's Orphanage for Boys, which he had held for over 25 years. That was an institution of which Southampton might be proud. Their guest, too, was appointed secretary for the administration of the Relief Fund in connection with the *Titanic* Disaster in 1912, and had continued to hold the position ever since, though the fund was now known as the National Disasters Relief Fund.

So far as business was concerned, Mr. Woolley had once occupied the position of secretary of the Southampton Chamber of Commerce, was President two years in succession, and had been a director for a number of years. He was also a prominent member of the Southampton Rotary Club, occupied the presidential chair in 1930-31, and had been actively associated with other organisations. In 1930, his colleagues of the Incorporated Accountants' Society came to the conclusion that as Mr. Woolley had served them so well in Southampton he ought to be on the Council of the Parent body, and they therefore elected him a member of the Council of the Society. The Council had found his knowledge of great value, and his colleagues listened to him with attention because they knew that he would not waste his words, or the time of the Council. They were much indebted to him for his counsel and particularly for the assistance he gave to Mr. Keens in the organisation of the District Societies, a scheme which was now in operation throughout the British Isles and working most satisfactorily.

Mr. Woolley was a member of the Court of Governors of University College, Southampton, and of the Committee of the Central Council for Social Service, and chairman of the Southampton Association for the Welfare of the Blind. One of the best works, for which their guest had been responsible, was in helping the unemployed during the current year. Mr. Woolley appealed for the sum of £10,000, and the response was so good that a fund of between £8,000 and £9,000 was collected. Under this scheme unemployed were given two days work on lands utilised for public purposes, and they received boots and clothes instead of money. The scheme had worked very successfully and it would be a model for other centres.

For several years Mr. Woolley had been a Justice of the Peace, and a few years ago he became member of the Borough Council as a representative of All Saints' ward. In November, 1930, he was appointed Sheriff, and in November, 1931, he was elected Mayor, being re-appointed to the latter position in November, 1932. In his spare time—and the Mayoress had assured him that Mr. Woolley had some spare time—he was a farmer. It was delightful to think that an accountant could go in for farming. (Laughter.) He wondered whether any amount of income tax which might be paid under Schedule B might be reclaimed under sect. 34 in losses which had been sustained in farming. (Laughter.)

Those who knew Mr. Woolley were delighted to be assembled there to do him honour. He was a man who, by his personal charm, had endeared himself to them all. He was a great worker and he was willing to place the whole of his ability, capacity and energy at the disposal of his colleagues and friends. Mr. Cassleton Elliott recalled, too, that besides being Mayor of Southampton, Mr. Woolley was Admiral of the Port, and he suggested that if W. S. Gilbert, when he was writing the libretto of "H.M.S. Pinafore" had selected an accountant instead of a lawyer as admiral, he might have expressed himself by the following :—

When I was a lad I served a term
With an Incorporated Accountants' firm.
In making ticks I got such a name
That a qualified clerk I soon became.
I conducted myself with dignitee
And passed the exams of the Societee.
Of accounting knowledge I acquired such a grip
That I took others into partnership.
And that promising partnership I ween
Was the only ship I had ever seen.

But that kind of ship so suited me
That now I'm the Ruler of the King's Navee.
I was liked so much that I was sent
Southampton Saints to represent.
I supported my Town when once elected
So steadfastly I was never rejected.
I progressed so well and I was so handsome
That I became the Mayor of Southampton.
And I worked so hard that they appointed me
To be the Ruler of the King's Navee. (Laughter.)

Finally, the President paid tribute to Mrs. Woolley, through whose co-operation the Mayor was able to accomplish his multifarious duties. The toast would not be complete without the inclusion of Mrs. Woolley. (Applause.)

The MAYOR OF SOUTHAMPTON (Mr. Woolley) acknowledging the cordial greeting accorded by the meeting, said it was difficult for one to reply to the toast without some sort of embarrassment, yet at the same time there was nothing more heartening to a man than to find that he could feel sure of the commendation and good wishes of his friends. In that respect, he assured them, that gathering gave him very great encouragement, and he could not but feel deeply sensible of the honour the Society had paid him by arranging that function and the equal honour that had been done him by so many of his friends joining them on that occasion. The professional body, to which he belonged, stood not only for professional competence and proper qualifications, but it exercised disciplinary control over its members. That was a very real thing in a society, and it was of such a character that the instances in which those powers required to be put into operation were exceptionally rare. He was grateful that the Society which stood for those things should have seen fit to arrange that occasion in recognition of whatever little work he had been able to do for the Society and for the South of England District Society of which Mr. Whittaker, their chairman, had been President from the day of its birth. Mr. Whittaker and he had served in double harness in the work of the District Society, which in its actual activities was more especially for the benefit of students—to help them on their way towards their qualifications and also to be of assistance to the younger members after they had joined the profession. He was glad to have had the opportunity of working with his friend Mr. Whittaker for so many years. He felt that he did not deserve the compliments which had been paid to him, but after all there was in the human heart a tremendous amount of kindness. That kindness had been expressed in a very special degree by the fact of that gathering. Everyone experienced rare occasions of pardonable pride, and two such occasions he ventured to recall. One was in 1905, when he received through the post a certificate informing him that he had successfully passed the Final examination of the Society of Incorporated Accountants and Auditors. He had never experienced anything like the thrill of that morning's post. The other was when the Council of the Parent body conveyed to him the invitation to become a member of the Council of that body which operated throughout the British Empire and in many foreign countries.

It was curious to reflect that it often happened that a certain circumstance might be the means of changing the whole career of an individual. That was so, certainly, in his case, for his father died when he was a child of eight years of age. That misfortune to his family upset all prearranged schemes, and it certainly introduced a set of circumstances which turned the trend of his life in many important respects. Its reaction was to cast upon him a sense of his own responsibility. He had no friends other than his mother to help him by counsel or guidance as to what he should do in life, but it developed in him, almost immediately, even at so young an age, the necessity for personal effort; he formed a determination at that time that, at any rate, whatever else he might be lacking in the future, he would not be lacking in the highest degree of effort in whatever he had to undertake. It was a strange thought to come across the mind of a child, but as the result of his father's death he developed, perhaps, too great a degree of seriousness, and even as a youth his tastes were turned, so far as literature was concerned, towards works of philosophy rather than to works which were calculated to amuse.

Mr. Woolley said his introduction to the accountancy profession was due to the late Mr. Robert Ferguson Miller and his training to the late Mr. John L. McIlroy. To a limited number of people present those names would be familiar. They were both men of very high repute and of great competence. Mr. McIlroy gave him a drilling in hard work for four or five years, which at the time he did not much appreciate, but since he had been very grateful indeed. Mr. McIlroy was a wonderful worker, and he (Mr. Woolley) had had no reason to regret that fact. In the accountancy profession he found an occupation which he enjoyed.

Mr. Woolley said he had one regret, and that was that Sir James Martin found it impossible to be with them. Sir James Martin they regarded as the father of the Society, and at the time he (Mr. Woolley) entered it he received from Sir James certain marks of personal kindness which he had never forgotten. He was glad that Lady Martin had been able to come, and they would ask her to convey to Sir James the kind regards of them all.

Mr. Woolley said he did not propose to say much about the small part he had tried to play in the public life of Southampton. For some of the things to which Mr. Cassleton Elliott had referred he was entitled to very little credit. The credit was due to the public spirit of men and women in the town, who had always been ready to respond to the call of the Mayor and put their brains and good will into working out schemes for the well-being of the people. That particularly applied to the scheme for the welfare of the unemployed, and in that connection Mr. Woolley said he wished to acknowledge the assistance of Sir Russell Bencraft, who acted as Honorary Treasurer throughout.

Mr. Woolley concluded by referring to the great assistance he had always received from his wife. No married man could hope to achieve anything unless he had the wholehearted co-operation, criticism and guidance of his wife. He had all those things, and he was glad to say he still retained the wholehearted co-operation of his wife. They thanked the company for drinking their health. That day would stand out in their memory as one of the most pleasant occasions of their lives.

Mr. EDWARD WHITTAKER (the President of the District Society) proposed the health of the Visitors. He said that in the course of a long professional life he recalled many happy occasions in connection with the Society, but few of them who took a part in the formation of the Society of Incorporated Accountants foresaw the progress it would make. They had a jealous regard for the highest standard of integrity, and had gone on from strength to strength. Coupling the name of Sir Russell Bencraft with the toast, Mr. Whittaker said he was a great physician, a fine cricketer, and a distinguished burgess of Southampton.

Sir RUSSELL BENCRAFT, in the course of a humorous response, said his experience of accountants was a very pleasant one. He engaged them to try and fight the income tax inspectors, but generally with very little

success. (Laughter.) Sir Russell expressed the hope that if the party were going for a short cruise down Southamptou Water, as he understood they were, they would not have the Admiral of the Port in charge of the ship. (Laughter.)

Lady MARTIN, proposing the health of Mr. Whittaker, the President of the District Society, said it was 40 years since her husband first visited Southampton in connection with the Society, and the friendships formed then had lasted ever since.

Mr. WHITTAKER made a brief response.

After the luncheon the party proceeded to the Civic Centre where they were received by the Mayor and Mayoress, and entertained to tea. They were shown over the new buildings and were also able to inspect some of the town's historic regalia.

Later they went, at the invitation of Mr. Whittaker, for a cruise down Southampton Water.

District Societies of Incorporated Accountants.

LONDON.

ANNUAL GENERAL MEETING.

The fourth annual general meeting was held at Incorporated Accountants' Hall on May 16th, when the chair was occupied by the President, Mr. Richard A. Witty.

In moving the adoption of the report and accounts for the year ended March 31st last, Mr. Witty appealed to members to give more support in their attendance at lectures. Educational meetings were an essential part of the work of the Society. By attendance at lectures and other gatherings members would be helping to keep themselves abreast of modern thought in matters relating to economics and the business world at large. At the same time they would be showing their appreciation of the eminent lecturers who were willing to visit them and to share their knowledge with the members. Further, by helping to keep the work of the District Society well before the public, they were advancing the objects of the Parent Society. Mr. Witty said he would like to express his thanks to the Vice-President, Mr. Joseph Stephenson, for his support throughout the year; to Mr. Baldry, the Hon. Treasurer; to the members of the Committee; and to Mr. Edwards and Mr. Garrett, the Secretaries. Personally, he greatly appreciated the honour of having been appointed President for the past year, and he trusted that his successor would have as pleasant and happy a year of office as the one he had completed.

COMMITTEE AND AUDITOR.

The following retiring members of the Committee were unanimously re-elected:—Mr. Walter Holman, Mr. Thomas Keens, Mr. Henry Morgan, Mr. W. A. Sparrow, and Mr. Richard A. Witty. Mr. C. B. Hewitt was re-elected Hon. Auditor.

ALTERATION OF RULES.

It was resolved to alter Rules 4, 5 and 15 by the substitution of the word "Chairman" for "President," "Vice-Chairmen" for "Vice-Presidents," "Past Chairman" for "Past President," and "Vice-Chairman" for "Vice-President."

ELECTION OF OFFICERS.

At a meeting of the Committee, held immediately after the annual meeting, the following officers were elected for the year 1933-34:—Chairman, Mr. Joseph Stephenson; Vice-Chairman, Mr. Walter Holman; Hon. Treasurer, Mr. Edward Baldry; Secretaries, Mr. A. A. Garrett and Mr. Ernest E. Edwards.

Report.

The Committee have pleasure in submitting the Annual Report for the year ended March 31st, 1933, during which the work of the District Society has been maintained on a high level. The membership has reached the large total of 2,020.

THE YEAR'S WORK.

In October, 1932, the District Society took the first opportunity to entertain Mr. E. Cassleton Elliott, after his election as President of the Society of Incorporated Accountants and Auditors, at a Luncheon in the Connaught Rooms. In the course of his speech Mr. Cassleton Elliott spoke on "The Importance of Commercial Efficiency," particularly from the point of view of Incorporated Accountants.

Public attention has recently been directed to the subject of Secondary Education, and at a Luncheon given in February, 1933, Dr. Cyril Norwood, the Head Master of Harrow, was the guest of the District Society, when he delivered an address on "Reform in Secondary Education."

Two meetings of members were held at Incorporated Accountants' Hall. At the end of 1932 Professor Gregory, D.Sc. (Sir Ernest Cassel Professor of Economics in the University of London) delivered a valuable lecture on "The Outlook for Sterling."

At the second meeting Mr. Robert Ashworth, F.S.A.A., F.C.A., gave a lecture on "Some Aspects of Group Finance."

The President and Committee entertained the Lecturers and Guests to dinner after the meetings.

The Committee desire to record their thanks to those gentlemen who have contributed to the Society's work during the past year.

A dance was given in Incorporated Accountants' Hall in the autumn, and a similar function was held in the spring, both of which were well supported.

FUTURE ARRANGEMENTS.

The Committee are arranging a similar programme for the season 1933-34, and they look for active support from the general body of Incorporated Accountants in London and the Home Counties.

COMMITTEE.

Two additional members were elected to the Committee at the last Annual General Meeting, namely, Mr. H. E. Colesworthy and Mr. F. Martin Jenkins, and during the year Mr. T. F. Grundy retired.

BELFAST.

ANNUAL MEETING.

The Annual Meeting of the Incorporated Accountants' Belfast and District Society was held in the Society's Rooms, Coates' Buildings, Castle Street, Belfast, on April 24th. The President, Mr. D. T. Boyd, presided over a good attendance of members.

In moving the adoption of the Annual Report, the Chairman pointed out that the total membership was now 177, consisting of 18 Fellows, 54 Associates, and 105 Student Members. Examinations of the Parent Body were held at Belfast in May and November. Thirty candidates entered for the May examinations, of whom ten passed, and thirty-seven in November, when twenty succeeded in passing.

The new meeting room and library of the Society had been formally opened on December 16th, 1932, by Mr. E. Cassleton Elliott, President of the Parent Society. It was felt that the acquisition of this room would prove of great advantage to the members.

The Office Bearers and Committee for the ensuing year were elected as follows:—President: Mr. David Tilfourd Boyd; Vice-President: Mr. Robert Bell; Hon. Secretary and Treasurer: Mr. Herbert McMillan; Hon. Auditor: Mr. Charles Magee; Committee: Mr. F. Allen, Mr. J. H. Allen, Mr. H. Andison, Mr. E. A. Anderson, Mr. James Baird, Mr. Norman Booth, Mr. S. Boyle, Mr. James Boyd, Mr. A. S. Courtney, Mr. J. S. Lewis, Mr. J. D. Thompson, and Mr. J. S. White.

The annual competition for the Booth Cup was held on Monday, the 22nd ult., at Craigavad. A large number of members took part in the competition and the Booth Cup and Prize presented by the President, Mr. D. T. Boyd, were won by Mr. H. McMillan, Hon. Secretary, the runner-up being Mr. G. R. Crawford.

The winner of the 18-stroke Consolation Prize presented by Mr. Robert Bell was Mr. W. J. M. Stewart, who returned a net score of 71.

BENGAL.

At a meeting of the Committee of the Bengal and District Society, held on May 2nd, Mr. G. Basu was elected Honorary Secretary in place of Mr. S. K. Ghosh, who was appointed Honorary Treasurer. The address of the District Society is now 3/1, Bankshall Street, Calcutta.

LIVERPOOL.

ANNUAL MEETING.

The annual meeting of the Liverpool District Society was held on May 24th, Mr. Alexr. Hannah presiding over a large attendance of members.

In the course of his address, Mr. Hannah referred to the great increase in the membership of the Liverpool Society, which had grown from 63 in 1926 to 274 this year—an increase due mainly to the beneficial effects of the District Societies' Scheme inaugurated by the Parent Society three years ago. As a result, the activities of the Liverpool Society had grown very considerably, and over 40 meetings had been held during the past year in Liverpool, Chester and Southport. Other activities of the Society now included a students' section, with a membership of 211, a library and reading room, a Consultative Committee (recently formed to advise members on difficult points of practice), golf competitions, essay competitions and visits to works (last year, to four collieries of the Wigan Coal Corporation), whilst a successful luncheon and a dinner had also been held. The guests of the Society during the year had included the President of the Parent Society (Mr. E. Cassleton Elliott), SirJames and Lady Martin, the Chairman of the District Societies' Committee of the Council (Mr. Thomas Keens), Mr. A. A. Garrett and Mr. E. E. Edwards, whose visits had given great pleasure to members.

The formal business of the meeting was then transacted, Mr. Lawrence Bailey, Mr. Walter Baird, and Mr. R. Lewin being appointed to the Committee, in addition to the retiring members, Mr. Charles M. Dolby, Mr. W. Bertram Nelson, Mr. Alfred E. Noon, Mr. T. T. Plender, and Mr. J. C. Summerskill. Mr. S. Woodyer was appointed Hon. Auditor for the ensuing year. Essay and golf competition prizes were also presented.

Report.

The Committee has pleasure in presenting its report upon the work of the Liverpool District Society for the year ended March 31st, 1933.

MEMBERSHIP.

At March 31st, 1933, the total membership of the Society was 485, including 70 Fellows, 204 Associates, and 211 Students. The total shows an increase of 33 since March 31st, 1932.

MEETINGS.

The following meetings have been held during the year:

Visit to Collieries of the Wigan Coal Corporation, Limited.

"Recent Income Tax Cases," by Mr. Lawrence Bailey, A.S.A.A.; at Chester.

Students' Impromptu Speeches, for President's and Vice-President's prizes.

Joint Debate with Liverpool Chartered Accountants' Students' Association. Subject: "That Modern Conditions tend to Laziness."

"The Progress of Mechanical Book-keeping," by Mr. C. Ralph Curtis, B.Sc.(Econ.), F.I.B., F.C.I.S.

Mock Company Liquidation Meeting. (Joint Meeting with Chartered Institute of Secretaries.)

"Executorship Law and Accounts," by Mr. Wm. Geddes, B.A., LL.B., Barrister-at-Law; at Chester.

"The Etiquette of the Profession," by Mr. Thomas Keens, D.L., F.S.A.A., Past President of the Society of Incorporated Accountants and Auditors.

"The English Legal System," by Mr. Bertram B. Benas, B.A., LL.B., Barrister-at-Law.

"Some Common Mistakes in the Legal Subjects of the Examinations," by Mr. E. Westby-Nunn, B.A., LL.B., Barrister-at-Law.

"Debentures and Sinking Funds," by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A.

"The Accounts of Limited Companies," by Mr. S. M. Caldwell, A.C.A.; at Chester.

"Bankruptcy," by Mr. James Allcorn, Official Receiver; at Southport.

"Examination Hints on Company Accounts," by Mr. W. H. Grainger, F.S.A.A.

"Intestacies," by Mr. Harold Brown, M.A., LL.B., Barrister-at-Law.

"Executorship Accounts," by Mr. Charles Tunnington, F.S.A.A.

Joint Debate with Liverpool Law Students' Association. Subject: "That the future of Liverpool must be viewed with dismay."

"The Death Duties," by Mr. Stanley A. Spofforth, A.S.A.A.

"Practical Points in Bankruptcy Procedure," by Mr. Charles M. Dolby, F.S.A.A.; at Chester.

"The Economic Outlook," by Mr. Douglas Haigh, F.C.I.S., General Secretary, National Industrial Alliance.

"Standard Costs," by Mr. E. W. Hall, F.C.W.A.

This is the first year in which meetings have been held in Chester. An Advisory Committee has now been appointed to make arrangements for such meetings in future, with Mr. Herbert Parsonage as hon. secretary. A successful meeting was also held in Southport on January 23rd, when the Society was honoured with the presence of His Worship the Mayor of Southport (Councillor G. E. Hardman), who presided. Following the lecture, the Mayor, the Lecturer (Mr. James Allcorn, Official Receiver), the Deputy Mayor, the Town Clerk, and a number of other guests were entertained at an informal dinner.

The Committee again desires to record its thanks to the Lecturers, to the Constitutional Club and to the Directors and Officers of the Wigan Coal Corporation, Limited, for much kindness extended to the Society in connection with our meetings during the past year.

ANNUAL DINNER.

The annual dinner was held at the Adelphi Hotel on February 17th. The proceedings were fully reported in the March issue of the *Incorporated Accountants' Journal*.

LUNCHEON.

At the annual luncheon at the Exchange Hotel, on November 30th, the Society was honoured with the presence of Sir James Martin, J.P., F.S.A.A., who spoke on the subject of "Fifty Years' Progress." The visit of Sir James and Lady Martin, and of Mr. A. A. Garrett, Secretary of the Parent Society, gave great pleasure to our members.

LIBRARY.

In December last the Library was transferred to the Society's own premises at 22, Lord Street, Liverpool, and was extensively re-furnished. The change of premises has led to an increased use of the Library, and some 74 volumes have been added during the year. Members are reminded that the Library is open for study during business hours and that volumes can be sent by post upon request to the Hon. Secretary.

The Society is indebted to Mr. Bertram B. Benas, B.A., LL.B., Mr. Allan Birchenough, Mr. John H. Hort, and Mr. P. Taggart, to the Parent Society and to the Students' Society of London, for donations to the Library.

CONSULTATIVE COMMITTEE.

In March a Consultative Committee was set up to assist members in an advisory capacity on difficult points of practice. The Committee functions in six panels, dealing respectively with :—

1. Fees and General Purposes.
2. Income Tax and Sur-Tax.
3. Bankruptcy, Liquidations, &c.
4. Company Law and Accounts.
5. Rating and Local Taxation.
6. Executorship and Trusteeship.

The scheme is to be tried for an experimental period of one year, and has so far met with success.

STUDENTS' SECTION.

A number of meetings of the Students' Section have been held during the year, and since Christmas a Students' Study Group has met each Friday evening at 6.15 p.m. in the Library. By this means, the whole groundwork of the examinations is covered by informal discussions, and it is believed that this experiment will be of considerable assistance to students. The cordial thanks of the Committee are due to Mr. Birchenough, Mr. Boase, Mr. Brown, Mr. Dolby, and Mr. Thayer, who have been responsible for these arrangements.

An essay competition has also been held on the following subjects, prizes being kindly presented by Mr. Dolby and Mr. Tunnington.

Intermediate Candidates : "The Tendency to Specialisation in the Accountancy Profession." Final Candidates : "The Incorporated Accountant as a Company Director."

A meeting for impromptu speeches was held, as usual, during the year, the prize-winners being as follows :— 1st, Mr. Philip Long ; 2nd, Mr. C. E. J. Whalley ; 3rd, Mr. J. W. Brown.

EXAMINATION RESULTS.

Six students were successful in the Final examination of the Parent Society, and seventeen in the Intermediate.

OBITUARY.

We record with great regret the death of Mr. Joseph Henry Scott, of Southport, of Mr. George Andrew MacLeod of Wallasey, and of Mr. R. W. Russell, of Liverpool, Associates of the Society.

PARENT SOCIETY.

The Committee once again desires to record its thanks to the Council and Officers of the Parent Society for much assistance and support.

Your President and Hon. Secretary represented the Society at the Annual Meeting of Representatives of District Societies held in London last May, while your President has also been present at dinners of District Societies at Manchester, Newcastle-upon-Tyne and Preston.

COMMITTEE..

The retiring members of the Committee are Mr. Charles M. Dolby, Mr. W. Bertram Nelson, Mr. A. E. Noon, Mr. T. T. Plender, and Mr. J. C. Summerskill, who are eligible for re-election. During the year, Mr. Cecil Semper has resigned, owing to pressure of other work, his resignation being accepted with regret by the Committee.

HONORARY AUDITOR.

The retiring Auditor, Mr. Samuel Woodyer, is also eligible for re-appointment.

At a Committee meeting held following the annual meeting, the following appointments were made for the ensuing year :—President : Mr. Alexr. Hannah. Vice-President : Major Edward S. Goulding, O.B.E. Hon. Treasurer : Mr. Charles M. Dolby. Hon. Secretary : Mr. W. Bertram Nelson.

A members' golf competition was held at Childwall Golf Course on May 22nd. The best net scores were those of Mr. W. A. Airey (70) and Mr. W. H. Powell (74).

NEWCASTLE-UPON-TYNE.

The Annual General Meeting of the Incorporated Accountants' Newcastle-upon-Tyne and District Society was held on April 26th. The chair was taken by the President, Councillor W. H. Stalker. The Annual Report and the Accounts for the year ended March 31st, 1933, were adopted.

The following were re-elected to the Committee :— Mr. J. E. Spoors, Mr. W. H. Stalker, Mr. J. Telfer. Mr. H. S. Parkin, A.S.A.A. (Sunderland) was elected to fill the vacancy caused by the resignation of Mr. T. W. Scollick, who received a vote of thanks for his services on the Committee for twenty-four years. Mr. T. Harold Major was re-elected Hon. Auditor. A vote of thanks was accorded to Mr. John Telfer, Hon. Secretary, to Mr. H. M. White, Hon. Librarian, and to Mr. C. Percy Barrowcliff, Hon. Secretary of the Middlesbrough Students' Section.

At a Committee meeting held immediately afterwards, Councillor W. H. Stalker was re-elected President for the ensuing year, and Mr. Fred Smith and Mr. M. H. Groves were re-elected Vice-Presidents. Mr. John Telfer was re-elected Hon. Secretary and Treasurer.

Mr. G. A. Pickering, A.S.A.A. (Newcastle) was elected a member of the Committee to fill the vacancy caused by the death of Mr. Richard Smith, and Mr. C. L. Hamer, F.S.A.A. (Middlesbrough) was elected a member of the Committee to fill the vacancy caused by the death of Mr. W. Hughes.

Mr. H. S. Parkin was elected as the representative of the District Society on the Sunderland Chamber of Commerce.

Owing to pressure of work, Mr. J. Telfer, Hon. Secretary of the Newcastle-upon-Tyne and District Society, has found it necessary to resign from the secretaryship. During the many years that he has occupied the position

of Hon. Secretary Mr. Telfer has shown both zeal and ability, and has contributed very largely to the organisation and progress of the Newcastle-upon-Tyne District Society.

The new Hon. Secretary is Mr. J. E. Spoors, A.S.A.A., of 21, Grainger Street West, Newcastle-upon-Tyne.

SHEFFIELD.

Annual Report.

The Committee have pleasure in presenting to the members the following report on the work of the Society for the year ended March 31st, 1933.

MEETINGS.

"World Trade Economics," by Sir Arthur Balfour, K.B.E., J.P.

Students' Society dance.

Dinner of the District Society.

"Controlled Inflation of Prices," by Prof. J. H. Jones, M.A.

Students' Society dance.

"The Case against Rationalisation," by Mr. W. Henderson Pringle, M.A., LL.B.

Debate with Bradford District Society Students (at Sheffield): "In the opinion of the House Modern Youth is Losing Ambition."

"The Law and Accounts relating to Holding Companies," by Mr. B. H. Binder, F.C.A.

Dance of the District Society.

The lectures were held in conjunction with the Sheffield Society of Chartered Accountants, Sheffield and District Institute of Bankers, and Sheffield and District Branch Chartered Institute of Secretaries.

The Committee tender their hearty congratulations to the members who were successful in their examinations during 1932. Three passed the Final and three the Intermediate examinations.

The District Society was represented by the President and Secretary at the dinners of the Newcastle-upon-Tyne and North Staffordshire District Societies, and the Sheffield Branch Chartered Institute of Secretaries, and by the President at the dinner of the Insurance Institute of Sheffield. The Secretary attended the dinners of the Manchester District Society and Sheffield Society of Chartered Accountants.

The outstanding feature of the Winter session was the dinner held on November 25th, 1932, at the Royal Victoria Hotel, Sheffield, presided over by the President, Mr. Leslie Lewis, F.S.A.A. We were honoured by the presence of Mr. E. Cassleton Elliott, F.S.A.A., President of the Parent Society; the Lord Mayor of Sheffield, Alderman Ernest Wilson, J.P.; and many other distinguished guests.

On March 31st the Society held a dance at Nether Edge Hall, at which the Lord Mayor and Lady Mayoress honoured us by their presence. This proved a very successful function.

The Secretary represented the District Society at the Conference of Representatives of District Societies held at Incorporated Accountants' Hall on May 25th, 1932.

SOUTH WALES AND MONMOUTHSHIRE.

Annual Report.

The Committee presents to the members its report of the activities of the Society for the year ended March 31st, 1933.

OBITUARY.

It is with deepest regret that your Committee reports the death on July 1st, 1932, of Mr. Herbert Frederick Hallam, A.S.A.A. Mr. Hallam had taken a very high place in the Society's examinations (sixth place in his Intermediate, and second place and prize in his Final), and a very brilliant professional career had been anticipated for him. He is a real loss to the District Society, and the sympathy of his fellow members has already been conveyed to his parents.

ELECTION OF MR. R. WILSON BARTLETT AS VICE-PRESIDENT OF PARENT SOCIETY.

The District Society wishes to convey its hearty congratulations to Mr. R. Wilson Bartlett, J.P., a member of the Committee and a Past President, on the honour accorded him by his election as Vice-President of the Parent Society.

LECTURES.

The following lectures were arranged in addition to those of the two Student Sections:

"Problems of Building Society Finance and their relationship to National Finance" (Joint Lecture with Chartered Institute of Secretaries), by Sir Enoch Hill, J.P., F.C.I.S.

"Topical Problems in Local Government Finance" (Joint Lecture with Swansea and South-West Wales District Society and Chartered Institute of Secretaries), by Mr. F. J. Alban, C.B.E., F.S.A.A.

"The Present Economic Outlook," by Mr. A. E. Pugh, F.S.A.A., F.I.S.A., F.C.I.S., F.R.Econ.S.

"Export Credits Guarantee Scheme" (Joint Lecture with Chartered Accountants, Chartered Institute of Secretaries, and Cardiff Chamber of Commerce), by Mr. H. Somerville Smith, D.S.O., M.C. (Assistant Manager, Export Credits Guarantee Department).

"Retail Traders' Accounts," by Mr. John Ewart, A.S.A.A.

The thanks of the District Society are tendered to those gentlemen who contributed to the success of the session by the lectures they delivered.

The Student Sections again held meetings in connection with the Prize Essay Scheme.

EXAMINATIONS.

Fourteen Final and twenty Intermediate successes were achieved by students of the District Society at the Society's examinations held at Cardiff.

The Committee and members wish to convey their congratulations to the successful candidates, and especially to Mr. George H. W. Williams, of the City Treasurer's Department, Cardiff, on obtaining Fourth Place Honours in the Intermediate, and to Mr. Noel Cliffe on taking Second Place and Prize in his Final examination.

SPRING AND AUTUMN GOLF MEETINGS.

These meetings were held, by kind permission of the respective clubs, at Porthcawl and Pyle and Kenfig, in May and October. The necessary arrangements were again carried out by Mr. W. J. Pallot and Mr. E. Leslie Molyneux, to whom the thanks of the District Society are due for their services.

Cardiff and District Students' Section.

ANNUAL MEETING.

The annual general meeting was held on May 8th, under the chairmanship of Mr. K. S. Williams, A.S.A.A., and there was a large attendance of members.

The meeting received the report of the Hon. Secretary upon the work of the session 1932-33, and the Chairman referred to the satisfactory work carried out during the session. A hearty vote of thanks for services rendered

was extended to the officers, committee, prize essay judges and sports secretaries.

The Chairman thanked the officers and members for their hearty support during the preceding session. The new chairman elected by the members was Mr. V. F. Alban, A.S.A.A., who is the son of Mr. F. J. Alban, C.B.E., F.S.A.A. Mr. V. F. Alban expressed his thanks for the honour conferred upon him, and said that his connection with the Cardiff Students' Section extended over a period of seven years, during which time he had gained valuable knowledge and made many acquaintances. He expressed the hope that the forthcoming session would be even more successful than the preceding ones, and felt he would have the support of the officers and members in his efforts to carry through the work of the section. Mr. Noel Cliffe was appointed Vice-Chairman, and Mr. J. Alun Evans was re-elected Hon. Secretary after ten years' service in that capacity.

The Committee and other Officers appointed were :—Committee : Mr. K. S. Williams, A.S.A.A., Mr. J. T. Jones, Mr. D. R. Carston, Mr. R. R. Davies, A.S.A.A., Mr. B. S. Horspool, Mr. G. M. Richards, Mr. J. S. Price. Sports Secretaries : Mr. R. R. Davies, A.S.A.A., Mr. J. T. Jones.

It was decided to continue the prize essay scheme during the session 1933-34, and the existing judges were re-elected with the addition of Mr. Noel Cliffe (Vice-Chairman), and Mr. E. J. Wade, A.S.A.A.

Arrangements were then made for the annual outing, Bristol being chosen as the venue.

Report.

LECTURES, &c.

The syllabus of lectures delivered during the session was as follows :—

Opening Address by the President of the District Society, Mr. Norman E. Lamb, F.S.A.A.

Internal Debate : "That the Politicians of our time are to be Congratulated."

Mock Creditors' Meeting.

"Business Economics—its Value to the Accountancy Student," by Mr. James Stephenson, M.A., M.Com., D.Sc.

"Preparation for Examinations," by Mr. J. D. R. Jones, F.S.A.A.

The general standard of the meetings was quite on a par with those of previous sessions ; they proved interesting and helpful, and attracted a fairly satisfactory attendance of members. We offer our thanks to the gentlemen who delivered lectures for so readily giving of their time and valuable services in the interests of the students.

The average attendance (including visitors) during the session was 21, compared with 26 in the previous session. This opportunity is taken by the Committee to make an earnest appeal to new students to attend regularly the meetings to be held next session. Those members who have given considerable service will readily testify to the many benefits they have derived.

The prize essay scheme was again quite successful ; the number of candidates was eleven, and with one or two exceptions the papers were of a high standard. The innovation of awarding extra marks to Final candidates who spoke from skeleton notes did not prove so successful as was hoped ; only one-third of the candidates made any attempt. It is hoped that all Final candidates will bear this in mind next session.

The judges were Mr. K. S. Williams, A.S.A.A., Mr. V. F. Alban, A.S.A.A., Mr. Ivor Davies, A.S.A.A., Mr. K. V. Stephens, A.S.A.A., Mr. E. Ewart Pearce, A.S.A.A., Mr. R. R. Davies, A.S.A.A., and the Hon. Secretary, and they awarded the prizes to the following competitors : (*a*) For the best paper : 1st prize, Mr. D. R. Carston—Paper on "Unemployment." 2nd prize (divided), Mr. E. J. Wade—Paper on "The Bank of England and its Relation to National Finance" ; and Mr. G. M. Richards—Paper on "The Accounts of : (1) A Pawnbroker, (2) a Bookmaker." (*b*) Prize for the best contribution to the discussions, Mr. J. T. Jones.

EXAMINATIONS.

The recording of the list of passes at the examinations is always a pleasant duty, and again there is reason for gratification, in that two Cardiff members secured honours, viz, Mr. Noel Cliffe in the Final and Mr. G. W. H. Williams in the Intermediate. In addition, six students passed the Final and thirteen the Intermediate.

LIBRARY.

The new catalogue circulated in January last clearly indicates that considerable progress has been made towards bringing the stock of books in the Library up to date. During the session an expenditure of approximately £50 has been incurred, involving the purchase of about 90 books, and after removing obsolete books, the stock now totals 367 volumes. The improvements are the result of the efforts of our Chairman (Mr. K. S. Williams, A.S.A.A.) and Mr. K. V. Stephens, A.S.A.A., ably supported by the Librarian, Mr. Noel Cliffe. We are much indebted to the District Society for the expenditure incurred and to Mr. Percy H. Walker, F.S.A.A., for his assistance in connection with the re-organisation. The duties of the Librarian have been heavier than usual, and we are grateful to him for the prompt and businesslike manner in which he has served the students' section in this and other directions.

SOCIAL AND EDUCATIONAL FUNCTIONS, &c.

The annual outing took place on June 15th, 1932, when a visit was made by motor coach to Gloucester and Cheltenham. In addition to a good attendance of students there were also present many senior members.

The annual social function, which took the form of a supper-dance, was held at the Royal Hotel, Cardiff, on December 9th, 1932. After holding dinners for the past six years, the Committee made this change at the expressed wish of the student members. The company was much larger than at any social gathering held in previous years.

Newport and District Students' Section.

Annual Report.

LECTURES.

The following lectures were held during the session, and were well supported by senior members and students :

"Hints on Short Papers," by Mr. C. T. Stephens, F.S.A.A., and Mr. J. D. R. Jones, F.S.A.A.

"Divisible Profits," by Mr. H. D. Edwards, A.S.A.A.

Internal Debate : "That the Nationalisation of Rail and Road Transport is Desirable."

"Shipping Accounts," by Mr. W. J. Pallot, F.S.A.A.

"Some Interesting Points in Income Tax Law and Practice," by Mr. Ivor Davies, A.S.A.A.

"Auditing," by Mr. A. Blackburn, A.S.A.A.

"Building Society Movement," by Mr. F. J. Notley, F.S.A.A.

"Redeemable Preference Shares," by Mr. W. J. Kimpton, A.S.A.A.

Seven short papers were given by students under the Prize Essay Scheme.

SOCIAL FUNCTIONS.

The annual dance was held on February 3rd, 1933, when 110 members and friends were present, and proved once again an enjoyable and successful evening.

The annual outing took place on June 9th, 1932. Members were taken for a tour round Cheddar Gorge in the morning, and in the afternoon visited the British Aerodrome Company's works, and saw a demonstration of the costing system.

YORKSHIRE.

Annual Report.

We have pleasure in presenting to the members the 39th report. The membership is 532, consisting of: Fellows, 59; Associates, 244; ordinary members, 229. During the year under review, 60 new members have been elected and 55 names have been removed owing to death, transference to other District Societies, or retirement from practice.

OBITUARY.

We regret to report the death of the following members during the year: Mr. J. W. Davison, F.S.A.A., Mr. A. H. M. Crump, A.S.A.A., Mr. H. W. Bowring, A.S.A.A., also Mr. J. Bell and Mr. Eric A. Knight (Student members).

LECTURES AND DISCUSSIONS.

During the winter session, ten lectures and meetings have been held, which continue to be well supported by senior and student members. Joint meetings were held with the Incorporated Accountants' Bradford and District Society, and the Chartered Institute of Secretaries (West Yorkshire Branch). These meetings were a great success, and our thanks are given to those taking an active part.

The following lectures were included in the course :—

"Salesmanship as a Function of Management," by Sir Francis Goodenough, C.B.E.

"Income Tax," by Mr. Cecil A. Newport, F.C.R.A.

Joint Meeting with the Bradford and District Society of Incorporated Accountants. "Mock Arbitration *re* Disputed Accountants' Charges."

"Partnership," by Mr. John H. Bromley, solicitor.

"The Accountant and Industry," by Mr. E. Cassleton Elliott, F.S.A.A., President of the Society of Incorporated Accountants and Auditors.

"Bankruptcy," by Mr. C. Allison Sales, F.S.A.A., LL.B.

"A Safe Pass in Economics," by Mr. F. J. Lewcock, A.I.B., A.C.I.S.

"Insurance Accounts," by Mr. Wilfred H. Grainger, F.S.A.A.

Joint Meeting with the Chartered Institute of Secretaries (West Yorkshire Branch). Mock Shareholders' Meeting.

"Points Arising in General Practice," by Mr. H. A. Perkis, A.S.A.A., A.C.A.

LIBRARY.

The library continues to be well used by both practising and student members, and the number of books issued for the past year was 383. A new library catalogue is in the course of preparation. Members wishing to recommend books for addition to the library should advise the Secretary.

HUDDERSFIELD BRANCH.

During the year two lectures were held at the Y.M.C.A., John William Street, Huddersfield, and these were well attended. The newly formed branch library (at the offices of Mr. E. B. Shaw, F.S.A.A.) is being well used by local members.

The lectures held at Huddersfield during the year were:

"Income Tax," by Mr. Rupert Walton, A.C.A.

"Company Law," by Mr. C. A. Sales, F.S.A.A., LL.B.

EXAMINATIONS.

Our congratulations are offered to the student members who were successful at the examinations of the Society of Incorporated Accountants and Auditors. Mr. A. Wilson, clerk to Messrs. Volans, Leach & Schofield, was successful in obtaining the first place Intermediate Certificate of Merit at the May examination. There were nineteen other successes in the Intermediate and thirteen in the Final.

DISTRICT SOCIETIES' PRESENTATION TO MR. A. A. GARRETT.

An interesting gathering was held at the Incorporated Accountants' Hall on November 17th, the occasion being the presentation to Mr. A. A. Garrett, M.A., B.Sc., F.C.I.S., the Secretary of the Society of Incorporated Accountants and Auditors, of his portrait in oils by Mr. John A. A. Berrie, R.C.A. The presentation was from the Branches and District Societies. Mr. E. Cassleton Elliott, the President of the Society, made the presentation and paid great tribute to Mr. Garrett's work for the Society. Mr. Garrett, after thanking the Societies for their gift, kindly handed the portrait back on the invitation of Mr. G. S. Pitt, the Chairman of the Hall Committee, so that it could be permanently hung in the Incorporated Accountants' Hall. Mr. Fredk. Holliday, F.S.A.A. (member of the Council), represented our Society at the above function.

OFFICIAL DINNER.

The President (Mr. Tom Revell, F.S.A.A.) presided over a large gathering of members and guests at the official dinner of the Society, which took place at the Great Northern Hotel, Leeds, on December 2nd.

MEMBERS' DANCE.

The annual dinner-dance was held on January 11th, 1933, when a record number of members and friends spent a very enjoyable evening.

VISITS TO MESSRS. MONTAGUE BURTON, LIMITED.

Owing to the success and interest taken in the previous visits, two further parties visited the works of Messrs. Montague Burton, Limited, Hudson Road, Leeds. A very interesting and instructive tour of the offices and works was arranged by the departmental managers, with the kind permission of Sir Montague Burton. Our best thanks are due to Sir Montague Burton and his managers for the courtesy shown during the visits.

COURSES IN ACCOUNTANCY.

Arrangements have again been made with the College of Commerce, Leeds, in conjunction with the Leeds Education Committee, to continue the special classes arranged to cover the Society's examinations over a three years course.

COMMITTEE.

Under Rule 5 (*d*) the seats of those members failing to attend at least one-third of the Committee meetings are declared vacant, and such members require re-nomination and election before they can serve again. The members retiring under this rule are: Mr. J. R. Moger and Mr. J. H. Gough.

Under Rule 5 (*b*), one-third of the elected members of the Committee retire, but are eligible for re-election at every annual meeting.

The members who retire this year are: Mr. Tom Revell, Mr. F. Harrison, Mr. Wm. Tate, Mr. A. Elliott, Mr. A. Schofield, Mr. S. A. Spofforth, and Mr. H. Threlfall.

Obituary.

FERGUS DEARDEN.

We have learned with regret that Mr. Fergus Dearden, A.S.A.A., died on May 16th, at the age of 56. Mr. Dearden became a member of the Society in 1905, and was shortly afterwards taken into partnership by his former principal, Mr. S. H. Horrocks, A.C.A., at Bolton. He removed some years later to Lytham, where he practised in his own name until the date of his death.

GOTHER C. M. MANN.

The death has taken place at Muizenberg, Cape Town, of Mr. Gother Charles Maclear Mann, J.P., who, up to his retirement in 1927, was the General Manager of the South African Association for the Administration and Settlement of Estates, the oldest trust company in South Africa.

Mr. Gother Mann was born in 1869 at the Royal Observatory, the third son of the late William Mann, Assistant Astronomer at the Cape (whose name is perpetuated in Maclear's "Beacon on Table Mountain"), and his paternal great-grandfather was General Gother Mann, Inspector-General of Fortifications. He was educated at the Diocesan College, Rondebosch, and joined the South African Association in 1887, later going to Kimberley as Manager of the Griqualand West Board of Executors. In 1889 he came back to the South African Association, and was appointed General Manager in 1903 (in succession to the late Mr. Harry Gibson, F.S.A.A., J.P.), retaining that post until ill-health forced him to resign, in 1927. He never married.

Mr. Gother Mann was admitted as a Fellow of the Society of Incorporated Accountants on November 7th, 1901, and only resigned his membership in 1929, after continued ill-health had prevented him from taking any part in public affairs.

FRANCIS WILLIAM PIXLEY

The death occurred on April 27th of Colonel F. W. Pixley, F.C.A., at the age of 80. Col. Pixley was an original member of the Institute of Chartered Accountants, and at the time of his death he was senior partner of the firm of Messrs. Jackson, Pixley & Co. He was elected a member of the Council of the Institute in 1888, and held the office of President during the year 1903-04. In the latter year he visited the United States of America as the representative of the Institute at the First International Congress of Accountants held at St. Louis. Col. Pixley was an able writer of accountancy works, the best known of which are "Auditors, their Duties and Responsibilities" and "Chartered and Incorporated Accountants' Charges." Col. Pixley was probably the last professional accountant in practice who was called to the Bar, as shortly after his admission a rule was passed prohibiting the call of practising members of the Institute or Society. He was a Knight of Justice and Receiver-General of the Order of St. John of Jerusalem in England, and also was identified with many other activities both in London and in Buckinghamshire where he resided during recent years. At a Memorial Service held at All Souls', Langham Place, London, W., on May 1st there was a representative attendance of the Council and Members of the Institute, including the President, Mr. Clare Smith, and the Vice-President, Mr. A. E. Cutforth. Sir James Martin was also present as Col. Pixley's colleague from London at the First International Congress of Accountants.

JOSIAH BRIDGE.

We regret to announce the death of Mr. Josiah Bridge, M.B.E., F.S.A.A., who had been a member of the Society since 1901. Mr. Bridge was well known in municipal circles. For some time he held an appointment in the Borough Accountants' Department at Oldham. In January, 1901, he was elected Borough Accountant of South Shields, and Borough Treasurer in 1922.

Changes and Removals.

Messrs. John S. Gavin & Son, Incorporated Accountants, announce that they have removed their offices to 191, West George Street, Glasgow.

Mr. J. T. Lowe, Incorporated Accountant, formerly practising in partnership with Mr. Farrer Atkinson under the style of Farrer Atkinson & Lowe, announces that, owing to the death of his partner, he is continuing the practice in his own name at Yorkshire Penny Bank Chambers, 7, Stricklandgate, Kendal.

Mr. P. C. Malhotra, Incorporated Accountant, has commenced to practise at Alfred Buildings, The Mall, Lahore, India, under the style of P. C. Malhotra & Co.

Messrs. Moss & Williamson, Incorporated Accountants, announce a change of address to Booth Street Chambers, Ashton-under-Lyne.

Mr. F. E. Osborn, Incorporated Accountant, has removed his offices to 8, Bay Passage, off Central Smith Street, Durban.

Mr. Ernest Rukin, Incorporated Accountant, has commenced public practice at 17, Wakefield Road, Bruntcliffe, Leeds.

Mr. H. J. Weeks, Incorporated Accountant, has removed his office to 23, Portland Terrace, Southampton, and is now practising in the name of Weeks, Wood & Co.

Scottish Notes.

(FROM OUR CORRESPONDENT.)

May Examinations.

The examinations for Scottish candidates were held in Glasgow in the first week of May. Twenty candidates, a smaller number than usual in recent years, attended. The examinations were supervised by Mr. James Paterson, Secretary of Scottish Branch, assisted by Mr. J. Hawthorne Paterson, A.S.A.A.

Mr. Eric Maxwell, A.S.A.A.

The Corporation of Kirkcaldy have appointed Mr. Eric Maxwell, Incorporated Accountant, deputy Town Chamberlain, to be Town Chamberlain in succession to his late father, Mr. W. M. Maxwell. Mr. Maxwell, who was a brilliant student of both the Society of Incorporated Accountants and Auditors, and of the Institute of Municipal Treasurers and Accountants, was the Society's silver medallist in 1927.

The late Mr. W. T. Port, A.S.A.A.

We regret to record the death of Mr. W. T. Port, A.S.A.A., Glasgow, as the result of a motor cycle accident. Mr. Port was one of the chief assistants in the City Chamberlain's office, Glasgow. He qualified in 1929 and always took a keen interest in the work of the Glasgow Students' Society and various functions connected therewith, and his active help in these matters will be much missed. The Students' Society was represented at the funeral by Mr. W. Davidson Hall, the President, and other members of the Committee.

Public Administration.

The April number of *Public Administration*, the journal of the Institute of Public Administration, contains the address on Scottish self-government by Sir Andrew Grierson, Town Clerk of Edinburgh, which he recently delivered in Edinburgh to the Edinburgh members of the Institute. The journal also reprints a paper read to the same body by Mr. J. Stewart Seggie, F.S.A.A., President of the Scottish Branch, on "National Community of Interests in Local Government," with special reference to the Report of the Committee on Local Expenditure (Scotland), to which Mr. Seggie acted as secretary.

Solicitors (Scotland) Bill.

In last month's issue we referred to this Bill, and that certain parts affecting the accountancy profession were being opposed. In this matter the Scottish Branch took up a strong position, and it is satisfactory to know that the objectionable clauses have been deleted and that the law remains unaltered in this respect.

Notes on Legal Cases.

[The abbreviations at the end of each of the cases refer to the following law reports, where full reports of the case may be found. The Law Reports and other reports are cited with the year and the Division, *e.g.* (1925) 2 K.B. :—

T.L.R., *Times Law Reports*; *The Times*, *The Times* Newspaper; L.J., *Law Journal*; L.J.N., *Law Journal* Newspaper; L.T., *Law Times*; L.T.N., *Law Times* Newspaper; S.J., *Solicitors' Journal*; W.N., *Weekly Notes*; S.C., *Session Cases* (*Scotland*); S.L.T., *Scots Law Times*; I.L.T., *Irish Law Times*; J.P., *Justice of the Peace* (*England*); L.G.R., *Knight's Local Government Reports*; B.& C.R., *Bankruptcy and Company Cases*.

The other abbreviations used in modern reports are H.L., House of Lords; A.C., Appeal Court (House of Lords and Privy Council); C.A., Court of Appeal; Ch., Chancery Division; K.B., King's Bench Division; P., Probate, Divorce and Admiralty Division; C.S., Court of Session (Scotland); J., Mr. Justice (King's Bench or Chancery); L.J., Lord Justice; L.C., Lord Chancellor; M.R., Master of the Rolls; N.I., Northern Ireland; P., President of Probate, Divorce and Admiralty.]

COMPANY LAW.

Reidy and Others v. Walker and Others.

Company as Tenant.

A limited company are not tenants "residing" in a house and are not entitled to the protection of the Rent Restrictions Acts as statutory tenants.

(K.B.; (1933) L.J.N., 309.)

INSOLVENCY.

Madras Official Assignee v. Krishnaji Bhat.

Money Invested in Firm for Minor.

In 1919 a sum of Rs. 10,000, lying with a firm belonging to the respondent's uncle, was directed by the father of the respondent to be invested in the firm in the name of the respondent, who was then a minor, the money to be handed over to the respondent on his attaining 21. The interest on the investment in the meantime was to be paid to the father. In 1925 the members of the firm were adjudicated insolvent and their estate and effects vested in the Official Assignee.

It was held that the Rs. 10,000, being admitted to be a trust in the hands of the firm, must be taken to have remained a part of the assets of that business and to have been there at the date of the insolvency, and upon such insolvency passed to the Official Assignee subject to a charge in favour of the respondent.

(P.C.; (1933) 49 T.L.R., 432.)

MISCELLANEOUS.

Simpson's Trustees v. Simpson.

Document Liable to Stamp Duty.

In an action brought by trustees for recovery of a loan made by the testator to the defendant, the plaintiffs produced a letter from the defendant's father to the testator and a document written and signed by the defendant. In the letter the defendant's father undertook, if the testator advanced £1,000 to the defendant, to arrange for payment of interest. The document, which was not stamped, stated: "I acknowledge receipt of the sum of £1000." The defendant maintained that as the document was a receipt it could not be stamped more than one month after, and consequently could not be used in evidence.

The Court of Session held that when the letter and document were read together it was clear that the £1000 was received as a loan and accordingly that the document was not a receipt within the meaning of the Stamp Act, 1891, and might be stamped more than one month after its date.

(C.S.; (1933) S.C., 128.)

REVENUE.

Straits Settlements Commissioner of Stamps v. Oei Tjong Swan.

Estate Duty Leviable on Movable Assets.

The deceased, not a British subject, was at the date of his death domiciled in the Colony of the Straits Settlements. The Commissioner of Stamps for the Colony, in determining the value of the deceased's estate for the purposes of estate duty included the value of his movable property outside the Colony, which consisted chiefly of shares valued at over $27,000,000.

It was held that such movable assets outside the Colony fell within the words "all property which passes on the death" in sect. 68 (1) of Ordinance No. 103 (Stamps) of the Colony and were accordingly assessable to estate duty.

(P.C.; (1933) 49 T.L.R., 428.)